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WORLD NEWS

Iraq claims U.S. aid in Gulf war

Surveillance aircraft manned and controlled by the U.S. are helping Iraq in its war with Iran, according to Iraqi President Saddam Hussein.

Iraq had benefited from data from four advanced warning and control systems (AWACS) aircraft. This is Iraq's first admission that it is receiving direct U.S. military assistance in the three-and-a-half-year-old war.

The "siege-operation" around the Iranian oil export terminal at Kharg Island would be intensified, he said. Page 2

Child's body found

Police searching for four-year-old Marie Payne, missing from her home in Dagenham, Essex, since last March, found a child's body in Epping Forest. Scotland Yard said a man is to be charged.

UK caution on Ireland

The Government is expected to adopt a cautious approach in talks the Irish Government is seeking following the New Ireland Forum report on the region. Page 4

Olympic hopes live on

President of the International Olympic Committee Juan Antonio Samaranch hopes to go to Moscow to persuade the Soviet Union to call off its boycott of the Los Angeles games. Page 2

Kitson released

David Kitson, a citizen of South Africa and Britain, was released from a Pretoria jail after serving all but six months of a 20-year sentence for sabotage.

Atrocity claims rebuffed

Zimbabwe authorities dismissed evidence of alleged army atrocities presented to journalists touring Matabeland and accused foreign correspondents of engineering the presence of "witnesses".

Hong Kong warning

Former Chinese Foreign Minister Ji Pengfei said Britain would have nothing to do with the administration of Hong Kong after China regained sovereignty.

Teachers step up action

Leaders of the National Union of Teachers decided to escalate their disruptive action over pay through three-day selective strikes. Page 4

Constable acquitted

Police Constable Karl Kneale was acquitted of kicking a man in the face during a demonstration outside Liverpool's Walton jail last July.

Sri Lanka kidnap

Separatist guerrillas in Sri Lanka demanded a \$2m ransom in gold for U.S. couple Stanley and Mary Allen, kidnapped from their home in Jaffna province.

Quake hits Rome region

An earthquake hit the Rome region, killing two and injuring 31, only four days after a similar quake killed three and left more than 8,000 homeless.

Soccer violence curb

EEC Sports Ministers are to discuss a Europe-wide drive against soccer violence when they meet in Malta next week.

BUSINESS SUMMARY

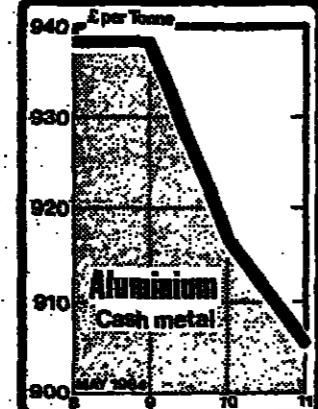
W. German unions aim at car industry

WEST GERMANY'S vehicle components industry has been selected as a leading target by the trade union movement in its campaign for a 35-hour working week.

The engineering union IG Metall said the first full-scale strikes would take place in the Stuttgart area on Monday, involving 12,000 workers at 14 factories. Back Page

HITACHI Consumer Products announced plans to cut 500 of the 1,300 jobs at the television manufacturing plant at Hirwaun, Wales, which until March ran as a joint venture with GEC. Back Page

ALUMINIUM values came under renewed pressure on the London Metal Exchange this week from speculative selling.



The cash price yesterday dropped by £11.25 to £906 a tonne, \$31.75 down on the previous week. Page 21

CITROEN workers occupied their car plant at Aulnay-sous-Bois, outside Paris, protesting at plans to cut 6,000 jobs in the company, which is owned by Peugeot. Back Page

BUILDING SOCIETIES: Mortgage lending in April reached a record of just under £2bn but net receipts fell to a little over £800m, the lowest for eight months. Page 4

LAKER AIRWAYS: U.S. Department of Justice is to take no action over an alleged conspiracy by international airlines to thwart a rescue plan for the company two years ago. Page 3

ROADS: The all-party Transport Committee criticised the Government's allocation for councils' spending on maintenance as "unrealistic and short-sighted". Page 3

STURGE HOLDINGS, parent company of one of the largest independent groups of Lloyd's underwriting agents, is raising £7m through a share placing to take advantage of opportunities arising from its investment by the insurance market's brokers of interests in managing agencies. Page 18

TEXACO of the U.S. agreed to sell for \$335m (£241.9m) to members of the Mitsubishi group the 50 per cent holding in Mitsubishi Oil which it will acquire through takeover of Getty Oil. Page 19

U.S. insurance broker Marsh and McLennan reported a \$28m (£20.2m) net deficit in the first quarter after attributing about a third of unauthorised dealing losses to its 1983 financial year. Page 19

C. H. BEAZER Holdings, Bath-based building and property group, launched a cash bid worth £18.45m for Newcastle housebuilder, William Leech. Page 18

Regan warns Fed as recovery 'on course'

BY REGINALD DALE IN WASHINGTON AND STEWART FLEMING IN HOT SPRINGS, VIRGINIA

A NEW BATCH of economic statistics showed the U.S. recovery "straight on course," with growth moderating and inflation under control, the U.S. Administration claimed yesterday.

But Mr Donald Regan, the Treasury Secretary, warned again that excessively restrictive monetary policies by the Federal Reserve, the U.S. central bank, could lead to even higher interest rates and the threat of renewed recession.

Reiterating complaints about Fed policy first publicly aired earlier this week, Mr Regan said that the Administration had "continually asked the Fed to supply enough money to accommodate non-inflationary growth. They should do as we ask them to do," he added sharply.

Mr Regan insisted that he was not conducting a "campaign" against the Fed, but said that it was his duty to speak out about high interest rates.

"We're putting up a cautionary flag," he said, adding that the money supply had been held "at the low end" of the Fed's target range.

Both Mr Regan and the White House warmly welcomed yesterday's economic statistics for April, which showed whole-

sale (producer) prices unchanged after three months of fairly strong acceleration, and retail sales rebounding by a robust 2.9 per cent, after falling for two months.

Retail sales dropped by a revised 2 per cent in March and 1.1 per cent in February, the Commerce Department said.

While some private economists saw last month's sales surge as adding to upward pressure on interest rates, Mr Malcolm Baldrige, the Commerce Secretary, said it meant that consumer spending remained "a major force behind the nation's economic expansion."

The White House said that the two sets of figures together showed "a solid expansion of the recovery without inflation."

Mr Regan, while concerned about the effect of high interest rates on savings and loans institutions, farmers and house-builders, said that for the time being he saw "no recession at all."

However, a forecast released yesterday by the Business Council, a private organisation of top U.S. corporate executives, said that in spite of its current strength the U.S. economy could be heading toward a

recession by the fourth quarter of 1985 unless decisive action was taken to cut the budget deficit.

The Business Council's panel of economic advisers predicted that after growing at a vigorous 5.5 per cent real rate this year, the economy would begin to slow in 1985.

As the panel does not see "much hope for significant early deficit reductions", there are fears that the prime rate, raised by the banks on Tuesday to 12 1/2 per cent, could rise to about 13 per cent this year and 15 per cent or more in 1985.

The immediate economic outlook is very good, according to several of the executives attending the spring meeting of the Business Council.

Consumer demand, they say, remains buoyant, and the capital goods sector is picking up strongly.

"The biggest problem is meeting demand," says Mr Roger E Smith, chairman of General Motors, who expects car and lorry sales for 1984 to rise by 15 per cent.

He says that there is a shortage of big luxury cars, and that the company's back orders are "at an all-time high."

Editorial Comment, Page 16

Equities and gilts down sharply

BY PHILIP STEPHENS

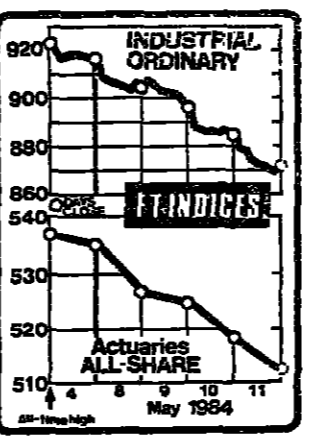
THE SPECTRE of still-higher U.S. interest rates brought further losses for British share and government bond prices yesterday.

Equities ended a grim week with the FT Industrial Ordinary index down 13.9 points on the day at 871.000. The cumulative fall over the four trading days was nearly 45 points, wiping around 5 per cent off share values.

In New York bond and equity prices fell sharply yesterday as the dollar soared in early trading. The markets were gripped by interest rate concerns amid further indications of continued strength in the U.S. economy.

In the credit markets the Treasury long bond fell by another two full points to 87 1/2, taking the decline on the week to over four full points. At the current price the long bond is yielding about 13.68 per cent compared with 13.40 the day before and 13.10 just seven days ago.

In the Chicago futures market contract prices fell heavily in hectic trading on a wave of selling. Short term rates were also marked sharply higher. The three month Treasury bill rate soared 20 basis points to 10.10 by lunchtime.



By lunchtime the Dow Jones Industrial Average was down 15.49 points at 1151.70, with 60m shares changing hands by 2 pm.

In London gilt prices fell by about 1 point, with the seventh successive day of losses taking them to their lowest level since early September.

Brokers said fears of higher U.S. interest rates were still unnerving the markets despite this week's rise in Britain's base lending rates to between 9 and 9 1/2 per cent.

The authorities have made it clear they will resist any further rise in UK rates, but

the City is still concerned that any new surge in U.S. borrowing costs could pull them higher.

Upward pressure on rates in the London money markets, however, eased slightly yesterday with the key three-month sterling inter-bank rate falling to just below 9 1/2 per cent from 9.9-16 on Thursday.

At broker James Capel analyst Mr Robert Ballantine said the banks should be able to avoid another increase in base rates unless there is a further sharp rise in U.S. rates.

But at Phillips and Drew Mr Stephen Lewis said the odds strongly favoured a further increase some time next month, to coincide with what he expected would be a further tightening in U.S. credit policy.

Trading on foreign exchanges was subdued yesterday, with the dollar pausing after Thursday's heavy intervention by central banks to stem its rise.

Money markets. Page 21
Lex. Back Page

Nissan to make cars in U.S.

BY JUREK MARTIN IN TOKYO AND TERRY DODSWORTH IN NEW YORK

NISSAN, Japan's second largest car company, last night said it would begin producing passenger vehicles in the U.S. next year.

The company also said it would build an 8bn pesos (£22.4m) car parts plant in Aguascalientes, in central Mexico.

Nissan's U.S. decision, while widely expected, comes about three months after it finally settled on assembling cars in the UK. It thus re-inforces the company's "global ten strategy," which aims at capturing 10 per cent of the world market for passenger cars.

The company follows to the U.S. car maker Honda, which is already producing at its Marysville, Ohio, factory and Toyota, its principal Japanese rival, whose joint project with General Motors in Fremont, California, is due to get under

way early next year.

The direction of the Japanese car industry towards U.S. production (Mazda, among others, is also considering an American investment) comes as the Reagan Administration appears split over whether to ask for an extension beyond next spring of "voluntary" restraint on Japanese car exports to the American market.

Nissan plans to produce its Sunny sub-compact car (known in its export form as the Sentra) at its existing truck facility in Smyrna, Tennessee, where 100,000 cars a year—four times the planned initial output of the UK venture—are expected to be built from April next year.

Nissan said that initial investment for a car assembly line at Smyrna will be \$85m (£61.5m). Its original investment on the site, where it began producing

light trucks last June, was \$60m, sum which included purchase of land far more than required for the truck facility.

The U.S. car project must be considered something of a personal triumph for Mr Ichiro Shoji, the influential Nissan union leader. His opposition to the British investment was largely based on the argument that the company's next overseas car production venture should be in the U.S., not Europe.

Nissan has reached a decision on car manufacturing in the U.S. more rapidly than most analysts had expected. The swift growth in Honda's U.S. output, almost 30,000 cars in Continued on Back Page

W. German strikes campaign and Citroen plant halted, Back Page

MARKETS

DOLLAR	
New York lunchtime	DM 2.7785
FF 8.53	SwFr 2.298
Y230.775	
LONDON	
DM 2.7715 (2.772)	FF 8.515 (8.525)
SwFr 2.2875 (2.2884)	Y230.775 (230.1)
Trade Weighted 151.7 (151.9)	Tokyo close 1229.75
U.S. LUNCHTIME RATES	
Fed Funds 10 1/4%	3-month Treasury Bills 10.01%
Long Bond 9 1/4%	yield n/a
GOLD	
New York Comex May latest	\$370.0
London \$372.75 (\$373.75)	

STERLING	
New York lunchtime \$1.36025	London \$1.365 (same)
DM 3.54 (3.545)	SwFr 3.17 (3.165)
FF 11.79 (11.50)	Y310.0 (317.5)
Trade weighted 80.0 (80.1)	
LONDON MONEY	
3-month interbank	mid rate 9 1/4% (9 1/4)
8-month eligible bills	buying rate 9 3/4% (8 1/4-64ths)
STOCK INDICES	
FT Ind Ord 871.0 (-13.9)	FT-A All Share 511.65 (-1.1%)
FE-SE 100 1076.7 (-15.7)	FT-A long gilt yield index
High coupon 10.64 (10.56)	
New York lunchtime	DJ Ind Av 1,180.07 (-7.12)
Tokyo	Nikkei Dow 10,533.57 (-45.4)

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Government Ravenscraig coal supply guaranteed

BY JOHN LLOYD, INDUSTRIAL EDITOR

MRS MARGARET THATCHER, the Prime Minister, last night stressed the Government's determination to remain aloof from the coal dispute.

She said coal stocks were sufficient for many months to come. She indicated that it was up to management, miners and police to deal with the crisis.

In a speech to the Scottish Conservative Party Conference in Perth she defended the Government's record on a wide range of policy issues over the past five years.

She rejected charges that the Government was dictatorial and said this was not merely hyperbole: "It's plain old-fashioned Double Dutch and that's not a tongue I've mastered."

In spite of the Government's record of denationalisation, that was, shifting power from the Government, some politicians had actually had the nerve to talk about government by diktat.

"The irony is that those who urge us to intervene in the coal dispute and seem angered when we don't are the very people who accuse us of being dictatorial," she said.

The Government would not intervene in the coal dispute. Its job was to see that the industry had good management and resources to invest in the future.

It was up to management and miners to grasp the opportunities for a competitive coal industry and up to the police to ensure that those who wanted to work could do so.

"Night after night we see on the television how well the police are doing just that."

Earlier in the day Mr Norman Tebbit, the Trade and Industry Secretary, told the conference the coal strike would only lead to the export of jobs.

He and the Prime Minister stressed the importance of the order to the National Coal Board to supply coking coal to the U.S. sales created jobs, Mrs Thatcher said; the strike destroyed them.

She said that £3.8bn had been Continued on Back Page

THE NINTH week of the miners' strike ended yesterday with a new agreement to supply sufficient coal to the Ravenscraig steel plant in Scotland and optimism from the National Coal Board's chairman that rank-and-file revolt would continue.

In contrast, transport union leaders last night agreed to restrict further the movement of coal and other fuels—and the first rank-and-file "revolt" against strike action, in the NCB's South Yorkshire area, collapsed.

In spite of these contradictory trends, common ground between the two sides in the dispute was that it would continue for some time. Mr Ian MacGregor, the NCB chairman, said yesterday: "I'm a very patient person. I've been a fisherman for a great number of years."

Mr Arthur Scargill, the NUM president, said after a meeting with the four main transport unions that the new undertakings would mean a "considerable tightening" in the flow of coal.

The transport and general railway, train drivers and seamen's unions had undertaken to "stop the flow of coal and other fuels into Britain," he said. Measures "so far not taken" would be imposed in areas where non-union members were involved which would give the strike a "considerable boost."

The agreement on Ravenscraig, reached between the mining, steel and rail unions in Edinburgh, stipulates that the plant will receive about 18,000 tonnes, or around 13 trainloads, of coal a week. This would be sufficient to keep the plant going at the reduced level at which it normally works.

The road transport operation mounted by the British Steel Corporation, which had ensured supplies, was discontinued last night. The BSC said that the new agreement would allow for the building up of some coal reserves.

Mr Mick McGahey, the Scottish NUM president, said the meeting had been "very amicable" and proved that no animosity existed in the Scottish labour movement.

Mr MacGregor's optimism on the discontent of the NUM's members with their leaders

strike strategy springs largely from the very high response the NCB has had to its provision of freephone information on the new Redundant Mineworkers Pension Scheme. Under this, all miners are offered severance pay of £1,000 for each year of service.

Mr James Cowan, the NCB's deputy chairman, said that 12,000 calls had been received by the NCB areas, most of which had had the freephone facility for little more than a week. Mr MacGregor said: "We get the impression that there is a growing resolve on the part of a number of people to establish their right to get back to work."

The NCB chairman said he was "increasingly worried about the high level of intimidation, not only against the people working in the pits but against

The two manual rail unions — Aslef and the NUR — have confirmed they will instruct their members to take industrial action from May 30. The action, over pay and productivity will involve a ban on rest day working and overtime and a work-to-rule. Page 4

Mantona rebellion collapses, Page 4

Rhonda seeks replacement, Page 3

Further evidence of the unease which the dispute is causing within the Labour Party surfaced yesterday in interviews with senior MPs.

Mr Don Connon, a former minister and MP for Mansfield, said on the ITV programme "A Week in Politics" that the strike was having a "devastating" effect on Labour support

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SAVE & PROSPER

OVERSEAS NEWS

Craxi leadership marred by P-2 lodge row

BY JAMES BUXTON IN ROME

SIG BETTINO CRAXI, the Italian Prime Minister, yesterday opened his Socialist Party's congress in Verona in an atmosphere clouded by the row raging over the revived question of the P-2 masonic lodge.

secret lodge presided over by Sig Licio Gelli. The discovery of P-2's existence brought down a government in 1981.

indignation at what the report said. Later this was amended to say that he shared their indignation at the report being leaked.

but to reject the Social Democratic Ministers' resignations. He has accepted them would have meant the withdrawal of the party from the coalition and the governments' almost certain collapse.



Craxi... under pressure

Heavenly body brings detente in space

By Peter Marsh

DETENTE BETWEEN East and West is alive and well - 150m kilometres out in space.

This is the point in the cosmos at which, in a little under two years, two Soviet space probes and another owned by the 11-nation European Space Agency will encounter Halley's Comet.

In an unprecedented move, which Western scientists believe requires the consent of top officials in the Kremlin, the Soviet Union has agreed to relay data from its spacecraft to the European vehicle.

Without the Soviet help, ESA's scientists fear that they will be unable to steer their craft precisely enough to avoid the ferocious dust jets which the nucleus, believed to be a ball of dirty ice some 6 km in diameter, throws out at the rate of 10 tonnes a second.

Scientists from the Soviet Union and ESA meet in Moscow next month to finalise details of the arrangement.

Peering final discussions, telecommunications links will relay computer data from a Soviet space probe in Moscow to ESA's control centre in Darmstadt, West Germany.

Engineers will open up the lines around the time of the encounter with the comet by the two Soviet craft in early March 1986.

Dr. Schneider Reinhard, the project scientist for the £100m Giotto mission, said: "We are very pleased that such an agreement is possible - it's not just words but the offer of concrete help."

Giotto begins its journey to the comet next year with a launch by ESA's Ariane rocket. During its eight-month voyage, the space vehicle will travel a distance equivalent to that between the sun and the earth.

The West European craft will fly much closer to the comet than the Soviet probes. It will be only 500 km away from the nucleus, while the Soviet craft will view the orbiting body from no nearer than 3,000 km.

As a result, Giotto is in grave danger of being thrown off course by the dust jets, which will strike the spacecraft at 68 km/sec or 50 times the speed of a bullet.

Scientists hope that if Giotto can survive near to the comet for as long as 25 minutes - during which the craft will relay to earth data collected by a battery of instruments - then this space-age "kamikaze" mission will have proved worthwhile.

Iraq claims it is receiving help from U.S.-manned Awacs

BY PATRICK COCKBURN

U.S.-MANNED and controlled surveillance aircraft are helping Iraq in its war with Iran, according to Iraqi President Saddam Hussein.

This is the first admission by Iraq that it is receiving direct military assistance from the U.S. American officials have shown concern in recent months that the Iranian army might make a breakthrough in the three and a half-year-old war.

The Iraqi president was asked by Kuwaiti journalists visiting Baghdad last week if data from four Awacs (advanced warning and control systems) supplied to Saudi Arabia at the start of the Gulf war, but manned and controlled by the U.S., had been used by Iraq.

Over the last year the Reagan Administration in Washington has tilted towards Iraq, primarily because of fear of the Iranian victory. The U.S. has also increased pressure on its allies to stop them supplying arms to Iran.

The Saudis are unlikely to be averse to passing on information, obtained by Awacs to

Baghdad, as has been long suspected by Iran. But they have been careful to avoid any other form of direct military involvement in the war.

Nevertheless it is surprising that President Hussein should so frankly admit that he is receiving information from the U.S.-controlled surveillance aircraft. His main arms and ammunition supplier remains the Soviet Union and relations between Baghdad and Moscow have recently been improving.

The Awacs aircraft were supplied under U.S. control at the start of the Iran-Iraq war in 1980. Their main purpose is to help in the defence of the air-space of Saudi Arabia and its allies.

Despite U.S. concern at the prospect of an Iraqi defeat, the Iranian army was unable to break through during heavy attacks in February. They are now reported to have massed as many as 100,000 men on the border but have still to make a long predicted mass attack.

D'Aubuisson set to contest Duarte lead

MAJOR Roberto d'Aubuisson, the extreme right-wing candidate in last Sunday's El Salvador presidential elections, appeared set to contest the apparent victory of the Christian Democrat, Sr Jose Napoleon Duarte, as tension rose in San Salvador yesterday.

The official voting returns from half the country's 14 departments gave Sr Duarte 56.47 per cent to Major d'Aubuisson's 43.52 per cent.

Major d'Aubuisson has threatened to make El Salvador "ungovernable" if Sr Duarte were to win and start any discussions with the left wing insurgents.

Bolivia tension grows

The future of the Bolivian government was in the balance yesterday as trade union hostility to the austerity measures decreed last month by President Hernan Siles rose.

Leaders of the COB trade union confederation pledged to maintain a hunger strike till the measures were lifted and called for the dismissal of the Ministers of Finance, Planning, Trade, and Labour.

President Siles and Vice-President Jaime Paz, elected office two years ago, have indicated they will resign rather than call off the austerity programme.

S. Africa tax move

South Africa's Finance Minister, Mr Owen Horwood yesterday announced tax changes which will increase the state's tax income by an estimated R800m (£80m) over the next five years.

It is proposed to increase the general sales tax rate to 10 per cent from its current 7 per cent on July 1, but a number of basic foodstuffs, including meat, fish, vegetables, bread, maize meal, eggs and milk will be made tax-exempt.

Tamil kidnap

An American, Mr Stanley Allen, and his wife, have been kidnapped by eight armed men believed to be members of a secessionist Tamil clandestine group, the Eelam People's Liberation Army, Mervyn de Silva reports from Colombo.

The abductors have demanded \$2m (£1.3m) ransom and the release of 20 Tamils detained under the Prevention of Terrorism Act.

Ararat offers talks

Mr Yasser Arafat, the Palestine Liberation Organisation leader, repeated a proposal in Athens yesterday for direct peace talks with Israel, in the framework of a UN-sponsored international conference, Andriana Terodiconou reports.

He warned that continuing stalemate will lead to an escalation of violence beyond the Middle East.

Aviation amendment

Member-states of the Montreal-based International Civil Aviation Organisation (ICAO) have unanimously agreed an amendment to the Chicago Convention of Civil Aviation, banning the use of weapons against civilian aircraft, Bernard Simon reports from Toronto.

The four-clause amendment, which must be ratified by two-thirds of the ICAO's 153 members before coming into force, is the first substantive change to the Chicago convention since it was drawn up 40 years ago.

Sin speaks out

Cardinal Jaime Sin, head of the Philippines' influential Roman Catholic church, said yesterday that he was "distressed, appalled and saddened" at the conduct of the campaign for next Monday's important National Assembly elections.

Olympic chief still hopes to visit Moscow

BY ANTHONY McDERMOTT IN LAUSANNE

SR JUAN Antonio Samaranch, President of the International Olympic Committee, said in Lausanne yesterday that he was still hoping to go to Moscow to try to persuade President Konstantin Chernenko to lift the Soviet boycott of the Olympic Games which are due to open in Los Angeles at the end of July.

The request had been conveyed two days earlier through Mr Marat Gramov, president of the Soviet Olympic Committee.

In such a meeting with the Soviet president, Sr Samaranch said, he would do his best to get him to recommend to the Soviet Olympic Committee that they should change their decision not to take part.

But Soviet officials here said that, even if the meeting were

to take place it was unlikely there would be any change in the Soviet decision to stay away.

Sr Samaranch, a former Spanish Ambassador to Moscow, said he attached much importance to whether he had received from President Ronald Reagan, the text of which he disclosed.

In his letter, President Reagan said: "The Olympic Games should not be used for political purposes. I have instructed agencies of the Federal Government to cooperate fully with Olympic and local officials to ensure the safety of all participants."

Fear for the safety of its athletes was one of the reasons put forward by the Soviet Union for boycotting the Games.

The number of countries boycotting the Games has now risen to four; Sr Samaranch said yesterday that Vietnam, after East Germany, Bulgaria and the Soviet Union, would not be attending.

The committee is to meet next Friday to consider what further steps it can take to change Moscow's mind.

Leslie Collitt adds from Berlin: Representatives of the U.S. national Olympic committee are believed to have met with East German officials in East Berlin in an attempt to get East Germany to try to convince the Soviet Union to reverse its decision on boycotting the Games.

Both the U.S. Embassy and the East Germans would not confirm the talks but the U.S. sports officials were seen enter-

Swiss complain to Paris over border 'harassment'

BY DAVID MARSH IN PARIS

SWITZERLAND has complained to the Paris government that French customs agents' efforts to track down illegal capital flows to Swiss banks could damage relations between the two countries.

In a formal note delivered to the French Foreign Ministry, Mr Francois de Ziegler, the Swiss Ambassador to Paris, expressed his government's "concern" about the activities of French customs and fiscal investigators.

Switzerland claims that harassment of Swiss and French people travelling across

the border has been increasing in spite of an undertaking by President Francois Mitterrand to calm the sometimes over-zealous efforts of customs officials trying to track down violators of exchange controls.

A Swiss embassy official said last night that recent cases had included sometimes "brutal" searches of old people.

However, M Patrice Cahart, the deputy head of the French Customs Directorate, said that customs men were simply "exercising French sovereignty" by making random checks on frontier travellers.

U.S. court urged to end fine on Marc Rich

BY PAUL TAYLOR IN NEW YORK

LAWYERS representing the Swiss Government and the Marc Rich commodity trading group have urged the U.S. courts to end the \$50,000-a-day contempt fine imposed last year on Marc Rich and Co. AG, the Swiss-based parent company, for failing to deliver certain documents to a grand jury.

In an unusual move a lawyer representing the Swiss Government appeared in court along with lawyers representing the Marc Rich Group.

The Swiss Government seized the documents last August because it said their release would violate Swiss company

secrecy laws. However, the Swiss authorities have consistently argued that the documents might be made available if the U.S. authorities went through established international channels.

The case against Marc Rich revolves around allegations that the company evaded \$48m in U.S. taxes through a complex oil trading scheme. This central case is due to be heard next week.

Ahead of it the U.S. authorities have modified a number of the charges and lawyers for the Marc Rich group have won a number of major legal arguments.

which many countries, particularly those of the developing world, would like to see raised, and to ascertain the likelihood of reaching consensus solutions.

"We could not risk a failure," said one EEC official. "The round must be a success."

Participants in any new round of talks would probably want to discuss not just protectionism against manufactured goods, but also against agricultural produce, and against services, including the financial sector.

Thorn resists move for early trade talks

BY ROBERT COTTRELL IN TOKYO

MR GASTON THORN, president of the European Commission, yesterday opposed any rapid movement towards a new round of world trade talks under the auspices of the general agreement on tariffs and trade (gatt).

Speaking during a three-day visit to Japan, he said that a "high-level gatt meeting" to consider the idea of a new round might be desirable some time next year. But talks should only go ahead if enough international agreement existed to ensure their success.

The new round of talks was suggested by Mr Thorn on Thursday by Mr Yasuhiro Nakasone, the Japanese Prime Minister. If the talks went ahead, they would follow the so-called "Kennedy round" of the 1960s, and the "Tokyo round" of the 1970s.

Mr Nakasone's suggestion was reinforced by Mr Hikosaburo Okonogi, International Trade and Industry Minister, in a meeting with Mr Thorn yesterday afternoon.

European diplomats are

anxious that Mr Thorn should not appear to be obstructing a Japanese free-trade initiative. They say the EEC and Japan recognise a common interest in a stable and liberal world trading order. The EEC remains to be convinced, however, that a round of talks, at least in the near future, would yield worthwhile results.

Mr Thorn's view, according to his spokesman, is that any new round would require much preparatory work. It would be necessary to identify the issues

EEC ministers to discuss joint approach

By John Wyles in Brussels

FINANCE MINISTERS of the European Community will devote several hours of informal discussion today and tomorrow to preparing a common approach to the top-level international meetings taking place over the next few weeks.

These culminate in the World Economic Summit in London on June 6-7.

They are expected to spend some time at their meeting at Rambouillet, just outside Paris, reviewing the latest trends in U.S. interest rates and their potential impact on the international debt problem.

Rising U.S. rates are also fueling anxieties about the durability of the fragile economic recovery in the EEC and about further disruptions in the international monetary system.

Ministers will also touch on trade issues - especially the task of rolling back protectionism - which will feature at the summit and at the prior OECD ministerial meeting in Paris on May 17-18.

EEC problems will also come under scrutiny. The Finance Ministers have to decide how to tackle their task of putting into a detailed form broad guidelines already adopted by the Ten for disciplining EEC spending.

They will also outline their positions on a proposal to raise the Ecu 5bn ceiling on the special EEC loan fund for helping countries with balance of payments difficulties.

France borrowed Ecu 4bn last year and ministers will discuss raising the ceiling either to Ecu 5bn or Ecu 10bn with a provision limiting any single country's borrowing to Ecu 4bn.

Regional tensions to dominate Bush-Gandhi talks

BY JOHN ELLIOTT IN NEW DELHI

INTERNATIONAL tensions in South Asia are likely to dominate talks in New Delhi between Mr George Bush, U.S. Vice-President, and Mrs Indira Gandhi, the Indian Prime Minister.

Mr Bush arrives here today from Japan and Indonesia for what is being treated as a full state visit at a time when Indo-U.S. relations have been through a particularly bad period. India hopes to secure "a better appreciation by the U.S. of India's viewpoint in the sub-continent," an external affairs spokesman said.

Mr Bush will have three meetings with Mrs Gandhi before he leaves on Monday for Pakistan on the next stage of his two-week Asian tour.

In Pakistan he is expected to pledge continuing U.S. defence and economic help for the mili-

officials in the troubled north Indian state of Punjab yesterday ordered the release of 200 militant Sikhs from jail. Reuter reports from New Delhi.

The conciliatory gesture by the state government was apparently aimed at defusing Hindu-Sikh tension as violence continued in the rich farming state where Sikhs form the majority.

Mr Bush is also likely to lobby Mrs Gandhi on major airliner orders being sought in India by Boeing in competition with the European Airbus.

The prospect of national elections in both countries within the next eight months will prevent any major initiatives emerging. Nevertheless, Mr Bush's visit is seen as significant. Political relations between India and the U.S. are not good even though the U.S. was India's major trading partner last year.

Mrs Gandhi is said to get on well with Mr Bush and with Mr Ronald Reagan, the U.S. President. But he hopes that, since her major visit to the U.S. two years ago, the U.S.

would draw closer to India have not been revised and the relationship between the two countries has suffered as a result. Mrs Gandhi said two months ago that India had no place in the global strategy of the U.S.

Mr Bush is likely to try to persuade Mrs Gandhi that the U.S. is not anti-Indian and that any apparent indifference is primarily caused by its preoccupation with other issues such as Afghanistan.

Mrs Gandhi constantly attacks the U.S. for providing F16 fighters and other weapons to Pakistan and often indirectly, attacks the U.S. for allegedly trying to destabilise India. She was particularly angry earlier this year over U.S.-led reductions in the size of the World Bank's new soft lending funds, called IDA seven. However, the U.S. recognises that in part,

Murder-charge Malaysian denies mentioning Minister

BY DAVID DODWELL IN HONG KONG

MR MAK Foon Than, the Malaysian charged with the murder of Mr Jallil Ibrahim, an executive of Bank Bumiputra Malaysia in July last year, told a high court in Hong Kong yesterday that he had never mentioned Malaysia's Finance Minister in statements made to the police after his arrest.

The statement, made during questioning in open court, flatly contradicts a claim in a police statement said to have been made by Mr Mak and read out in court last week.

In it, he is alleged to have said he had been sent to Hong

Kong by the Malaysian Finance Minister to collect \$6m (£3.08m).

The widely-reported statement drew a prompt and unequivocal denial from Tunku Razaleigh Hamzah, Malaysia's Finance Minister. Mr Mak told the court yesterday: "I did not mention the Finance Minister. It might have been mentioned by the police officer, but I did not mention it."

Mr Mak claimed that he was not in his right mind when making statements to police because of acute spinal pain resulting from injuries incurred

by jumping from a first-floor flat before his arrest.

Mr Mak also denied murdering Mr Ibrahim, who was found strangled and dumped in a banana plantation in Hong Kong's New Territories in July last year.

Mr Ibrahim had been seconded early in 1983 from Bank Bumiputra in Kuala Lumpur to its wholly-owned subsidiary, Bumiputra Malaysia Finance (BMP).

Mr Mak said in court: "I had nothing to do with the murder and had nothing to gain from it."

He has consistently claimed that the murder was carried out by a Korean known to him as Shin.

He said he had agreed to dump the body after threats were made against himself and his family. Mr Mak admits to having two wives, one in Hong Kong and the other in Malaysia.

Questioning of Mr Mak will continue in the high court on Monday.

Mr Dennis Chiu, managing



Bush... seeking to allay Indian fears

At least, these attacks are made to build up her own political power base in India.

Lebanon cabinet seeks release of war captives

BEIRUT - Lebanon's National Unity Government called yesterday for the unconditional release of all civil-war abductees and declared it would ask the International Red Cross to arrange the swap.

The announcement was made by Prime Minister Raed Karam after a four-hour meeting of the Cabinet, made up of Lebanon's principal warlords, in Birkata, 10 miles north-east of Beirut. The session, the second in as many days, was chaired by President Amin Gemayel.

"The Council of Ministers has agreed on measures under which each party holding abductees should voluntarily and unconditionally release them," Mr Karam said in a statement broadcast on all local radio stations.

Gunpoint sectarian kidnappings have been a characteristic of the Lebanese civil war, which has claimed more than 80,000 lives in the past nine years. About 150 abductees are believed still held by Christian and Moslem militias, although some estimates place the total as high as 275.

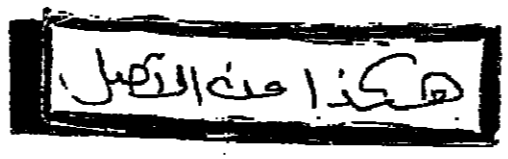
Mr Karam also announced that the Government has approved the broad outlines of a policy to bring the civil war to an end.

A five-man ministerial committee will meet on Monday to draft the policy statement for which the newly-formed government will seek a vote of confidence from the parliament.

AP

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UK NEWS

Toshiba to build microwave plant in Devon

BY CARLA RAPOPORT

TOSHIBA, the Japanese electronics company, intends to build a microwave oven plant in Plymouth, Devon. The move is expected to create between 200 and 300 jobs, boosting Toshiba's UK employment by about 50 per cent.

strong performance of Toshiba's UK operations in productivity, quality, and good industrial relations helped to tip the balance towards Britain. The investment, expected to amount to about £2.5m, will give Toshiba its third microwave oven plant. It manufactures the ovens in Tennessee and Japan.

It had completed a joint venture agreement with Litton Industries of the U.S. to produce microwave ovens in Peterlee, County Durham. That plant is expected to be in operation by the autumn. The only other UK manufacturer of microwave ovens in the UK is Thorn-EMI. More than 75 per cent of the European market is supplied by Japanese and American manufacturers.

Toshiba, which manufactures television sets at its Plymouth site, struck an unusual agreement with the Electrical and Plumbing Trades Union (EPTU) three years ago, paving the way for its strong performance on productivity. The agreement included sole recognition for the EPTU, equal conditions for manual workers and office staff, flexible working hours, and advisory board of elected staff representatives and negotiating procedures with special arbitration clauses aimed at preventing strikes.

The group has achieved improved quality yields of up to 95 per cent, compared with about 60 per cent in Toshiba's former joint venture with the Rank Organisation which collapsed in September 1980.

Inflation accounting compromise proposed

By Alison Hogan

THE INSTITUTE for Fiscal Studies claims to have found a solution to the problem of accounting for inflation. It proposes what it describes as a "very appealing compromise" which combines elements of the two main methods developed to date, current-cost accounting (CAA), and current purchasing-power (CPP).

Road maintenance funding unrealistic says MPs' watchdog

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE all-party Commons Transport Committee has criticised the Government's allocation for local authorities' spending on road maintenance in this financial year as unrealistic and short-sighted. The committee's report published yesterday also suggests the Government's programme for spending on new motorway and trunk-road construction and structural maintenance is not proceeding as smoothly as government statements indicated.

EEC plan 'threatens investment'

Financial Times Reporter

MR RICHARD PRICE, Confederation of British Industry director of social affairs, said yesterday that overseas companies planning to invest in Britain could be driven away by the European Commission's proposals for legislation on employee involvement. He said the effects were not to be taken lightly. Representative business organisations in Japan and the U.S. regarded the commission's proposals as a distinct disincentive to investment in Britain.

Vauxhall offers more to dealers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VAUXHALL-OPEL, the General Motors subsidiary, has increased incentives to its dealers in swift response to Ford's decision to re-enter the car price war. Mr John Fleming, its chairman, said yesterday. He predicted the renewed incentives battle would: ● Push new car sales in Britain this year above last year's record 1.79m; ● Force the four British-based car producers to spend more on extra bonuses to dealers than last year's estimated £95m.

Mr Fleming said Vauxhall's incentive campaigns early this year had been more successful than expected. Vauxhall would continue to increase its market share from next year onwards by about 1 per cent a year to about 20 per cent, he said. To meet the renewed Ford onslaught, Vauxhall has lifted the extra bonus per car from £125 to £200 and made other adjustments to the incentive campaign it already had running to the end of June. Mr Fleming claimed the new bonuses were still below those being offered by Ford and Austin Rover.

hall predicted its penetration would move up to 16 per cent this year, a year ahead of schedule. Mr Fleming said Vauxhall's incentive campaigns early this year had been more successful than expected. Vauxhall would continue to increase its market share from next year onwards by about 1 per cent a year to about 20 per cent, he said. To meet the renewed Ford onslaught, Vauxhall has lifted the extra bonus per car from £125 to £200 and made other adjustments to the incentive campaign it already had running to the end of June. Mr Fleming claimed the new bonuses were still below those being offered by Ford and Austin Rover.

Certification date delayed for aircraft

By Our Belfast Correspondent

LEAR FAN, the company fibre executive aircraft in Northern Ireland, has again postponed the date by which it hopes to win a vital airworthiness certificate from the U.S. authorities. The company said yesterday it now expected the full certification by mid-February next year instead of the previous deadline of September this year.

A British government commitment of £50m has been made towards the venture which promises to employ about 2,800 people if plans to manufacture the aircraft are successful. However, structural failures during ground tests at Reno, Nevada led to parts of the fuselage being redesigned.

Non-entitlement to benefit 'hits long-term jobless'

BY DAVID HELLIER

MANY long-term unemployed fall into serious debt because they are not entitled to claim supplementary benefit at the higher long-term rate, says a discussion paper published yesterday by the National Consumer Council.

The paper, entitled Hard Terms, says that married men working for a year or more are £550 a year worse off than if they received the higher rate. The long-term scale rate for supplementary benefit, introduced in 1973, is paid to claimants of retirement age and all who have claimed supplementary benefit for more than a year, but excluding the unemployed.

U.S. rejects Laker allegation

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

NO ACTION is to be taken by the U.S. Department of Justice over an alleged conspiracy by international airlines to thwart a plan to rescue Laker Airways when it collapsed two years ago. British Caledonian and the German national airline Lufthansa said yesterday the Justice Department had informed them that it had decided not to start "any civil or criminal anti-trust action" in respect of that aspect of its grand jury investigation into the Laker collapse.

British Airways, the other British airline involved, refused to say whether it had heard from the department. The letters to Lufthansa and BCal make it clear that the grand jury is still investigating an alleged conspiracy to destroy Laker by fare-price fixing. The airlines principally involved in that aspect of the investigation appear to be BA, Pan American and Trans World.

Bentalls to close Chatham, Kent, store

Financial Times Reporter

THE Bentalls store in Chatham, Kent, is to close with the loss of about 80 jobs. Losses at the store, which opened five years ago, are said to be £150,000 a year. The closure, expected to be completed in the next couple of months, will mean Bentalls writing off about £1m. However, the group said this cost should be more than covered by the profit expected from the disposal of a freehold store site in Ealing, West London.

Philips to try advertising by satellite

BY RAYMOND SNOODY

PHILIPS is to advertise on Sky Channel, the general entertainment service delivered from London by satellite to cable television systems around Europe. The consumer electronics group says the decision to try Sky Channel was an experiment to gain experience in the use of satellite advertising. The advertisements would be accompanied by extensive market research to try to gauge the effect of English language commercials in non-English speaking countries.

Philips' advertising campaign will be preceded by a one-hour corporate promotional film on Friday. Sky Channel plans to show similar films on another major European multi-national company. Music Box, formed from the merger of three companies which planned to run pop channels on cable television has been given permission to be shown on Dutch systems. Music Box, owned by Thorn EMI, Yorkshire Television and Virgin Records should be available 16 hours a day on Dutch cable by July.

MOBILE hamburger stalls and ice-cream vans should be more tightly controlled, the Association of London Authorities has decided. The association's policy committee will ask the Ministry of Agriculture for local councils to be given powers over mobile food stalls.

Avon business fund set up

Financial Times Reporter

THE AVON Enterprise Fund to help local business has been launched in Bristol, supported by finance from organisations such as Avon County Council, Equity Capital for Industry, Sun Life Assurance, Phoenix Assurance and Darrington & Co, which provides merchant banking services based in the West Country. The fund will have a capital of about £2m, of which £1.5m has been promised. The size of individual investments the fund is looking to make will be between £50,000 and £150,000.

Cosor wins export order

Financial Times Reporter

COSSOR ELECTRONICS of the UK is to get a share, worth more than £25m, of a C390m (£214m) contract placed by the Canadian Government with Raytheon Canada for new aviation radars to modernise the Canadian radar network. Cosor Electronics, as a team member, will make the advanced monopulse secondary surveillance radars which are part of the contract.

Motorcycle sales fall 21%

BY JOHN GRIFFITHS

THE START of the spring selling season provided no comfort for the UK motorcycle dealers. Sales of two-wheelers in April were 12,029, down 21 per cent on the same month last year. For the first four months of the year, sales were 39,945, 23 per cent down on last year, which was the worst performance in the industry's recent history, the 174,000 sales for the full year being little more than half previous records. Sales of mopeds were also down, falling 13,485, 26 per cent, according to Motor Cycle Association statistics. Sales of motor-cycles in the four-month period were 26,457, 22 per cent down.

Robin Reeves looks at the plight of a South Wales valley and at the business ventures on which its economic future depends

The Rhondda's struggle to find a replacement for King Coal

THE RHONDDA valley in south Wales remains inextricably linked in the minds of most people with one industry—coal. Seventy years ago it was the scene of the biggest concentration of coal mining the world has seen. But King Coal's reign is over for the Rhondda, which is struggling to build an economic future with the help of small companies like Mr John Morgan's Applied Screen Print.

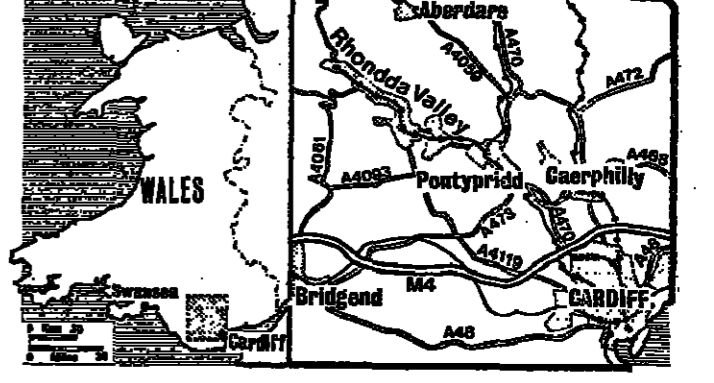
Mr Morgan is a comparatively rare phenomenon—a Rhondda-born entrepreneur who has stayed in the valley to build a successful business. But building a new Rhondda economy is not easy and the overall results so far are not exactly a good advertisement for the local benefits of pit closures, whatever the wider economic considerations. Applied Screen Print, started 10 years ago in an old school meals kitchen, today it employs 50 in a 20,000 sq ft factory and has a turnover of £1.25m. It produces high quality screen print on glass and acrylic, mainly for the gaming and leisure industries, and recently Mr Morgan started to branch out into exports.

coal towards the end of this year. It achieved notoriety in the 1920s as "Little Moscow" and a decade ago was promised a further 100 years of life. Shortly before the present miners' strike began, the colliery's 700 miners accepted a National Coal Board plan to link the pit with Tower colliery in the neighbouring valley. Efforts to give the Rhondda a more diversified, resilient, economy began in the late 1930s and were greatly increased by the 1945 Distribution of Industry Act. But progress was hampered by a shortage of industrial sites in the valley's narrow confines and difficult road access. In the 1980s a strategy of building up employment opportunities at the mouths of the South Wales valleys was adopted. The transfer of the Royal Mint to Llantrisant was one result. Nonetheless there has been a relentless decline in the valley's population. From a peak of 169,000 in 1925, it has fallen every year to its present level of about 81,000. The latest recession has wiped out many of the employment gains of the past 20 years. Male unemployment today is back up to a level of nearly 35 per cent while the female jobless rate stands at 18 per cent, making a total of more 5,500 on the dole. There are only a few dozen

vacancies. One in every two youngsters is on the dole. The figures would be even worse but for the fact that more than 10,000 people commute from the valley each day to their place of work. Despite the extraordinary exodus, the Rhondda still contains thousands of people who would not live anywhere else. It has a unique communal consciousness of its own. The ugly coalpits have all gone thanks to a sustained land reclamation programme in the past 20 years, revealing the surrounding hills in their former beauty. But the signs are that in the absence of a major new initiative many more people will be condemned to leave in search of work. The Rhondda's case for special help has already been eroded by equally pressing problems elsewhere, and seems likely to be eroded further in the Government's latest regional policy review. In the circumstances, the Welsh Office has been on saving what industry the Rhondda already has.

largest employer. Generous Welsh Office aid was also made available to Thorn EMI Dynatrol to enable the group's Rhondda factory to manufacture and market cable TV distribution equipment throughout Europe under licence from C-COR Electronics of Pennsylvania. It should boost employment by 100 to 440 jobs over the next three years and secure the plant's future. Bramber Engineering, another long-established Rhondda employer, has received Welsh Development Agency help to modernise and expand its coil and leaf spring production. The investment is paying off handsomely, with export led sales up 45 per cent in the past 18 months. Encouraging industrial growth in the valley is also the aim of a Rhondda Borough Council programme of building small factory units. Most of the 45 units built so far have been taken by tenants who between them are providing 438 jobs. The council is also promoting a series of urban development grant schemes which promise houses, workshops, small offices, a sports complex and a shopping centre. There are plans to make use of Rhondda's past by turning Trawawr Lewis Merthyr into a heritage museum. An interim feasibility study has urged a large multi-million pound scheme, to provide a permanent record of the history of the val-

ley, with the aim of attracting up to 10,000 visitors a day. A great deal of industrial training is taking place under the auspices of Rhondda Enterprise, launched in 1978 with help from the Manpower Services Commission. Today it is spending £1m a year of public money running five units in the Rhondda which offer 120 trainee placements and 100 community programme places for the long-term unemployed. Under the direction of Mr Derek Porter, a former Turner and Newall executive, the training has diversified from engineering, joinery and horticulture into electric circuitry, robotics, fibre optics, solar energy, digital controls, computers and commercial skills. Rhondda Enterprise's latest initiative is an adult training workshop in new technology which opened just before Christmas in a converted boiler house. Mr Porter also hopes to secure funding to provide sheltered workshop accommodation for trainees willing to have a go at starting businesses. The Rhondda has far from thrown in the towel. Mr Dick Newman, chairman of the Association of Rhondda Industries and a former council mayor, is an optimist. He believes the unemployment problem can be cracked if a dozen of the valley's small companies can grow into medium-sized enterprises in the next decade. Mr Tony Roberts, the Borough



Industrial Development Officer also refuses to be dejected. "We have got more going for us than Torquay or Brixton—spirit, and a sense of identity and purpose." But the private sector alone is never going to solve the Rhondda's problems. On most measures of social deprivation across England and Wales it comes out at the top of the list. At the last count, about 17 per cent of households were still without an inside lavatory and 12.5 per cent had no bath. A report just published by Mid-Glamorgan health authority revealed that death rates among babies born in the Rhondda were 50 per cent above the national average. Respiratory illnesses among young children are 25 per cent higher, and the number of medical prescriptions is more than 20 per cent above average. Hospitalisation is more frequent and average stays are longer because doctors are unwilling to send patients home to poor housing. This leads to longer waiting lists. The amount of accommodation in homes for old people is inadequate and the demand for it is increasing despite a life expectancy which is 18 months lower than in England. The health authority calculates that it will require an annual growth rate in its budget of 1.2 per cent to maintain existing services. But the Government has told it not to count on growth of more than 1 per cent in the next decade. The local fear is that much needed improvements at the Rhondda's Llywnypia District hospital will be paid for by closing the valley's highly valued cottage hospitals, originally paid for by the miners. It adds up to a bleak inheritance for a community which, once an engine of the British economy, producing enormous wealth and fueling the expansion of international trade.

UK NEWS

Building societies' lending at record £2bn in April

BY MARGARET HUGHES

SAVERS' FUNDS INTO building societies fell in April for the second successive month. Net receipts are understood to have dipped to just over \$80m, the lowest since last August.

Mortgage lending, however, was at an all-time high at just under £2bn. The previous record was in March last year when societies advanced £1.91bn. The net inflow this March was £729m while mortgage advances totalled £1.84bn.

Societies say the April returns are much as expected and mainly reflect the reduced interest rates which came into effect on April 1. Both the mortgage and the ordinary share investment rates have fallen by a percentage point. The fall in funds has been offset to some extent by the higher interest rates on short notice advances; several have imposed the terms on existing schemes while others have introduced new accounts.

Given the recent rise in bank base rates, the flow of funds into building societies is likely to be depressed further this month. Receipts tend to fall off in May as savers begin to withdraw funds to pay for summer holidays.

Societies say they are not unduly worried and are unlikely to be any more to increase interest rates unless banks raise their base rates further. To 100000

The British Association of Building Societies, which normally discusses interest rates, is not scheduled to meet this month because the BSA will be holding its annual conference. If necessary an emergency meeting could be called

Bristol & West Building Society and Standard Chartered Bank are altering their joint Moneylink scheme to appeal to a wider market. Moneylink, introduced last June, is a combination of an interest bearing building society account and bank current account which offers free banking.

New investors will have to invest only £100 in a Bristol & West Moneylink share account instead of £500. Bristol & West said yesterday market research showed that the £500 initial investment had proved "something of a psychological barrier even for a potential customer with plenty of money."

Interest on the entire share account is to be increased to the full ordinary share account rate, at present 6.25 per cent. Previously interest

on the first £500 was 1 per cent above the rate below the ordinary share rate, the full rate being paid on balances only in excess of £500.

Investors in Moneylink are eligible to open a current account with Standard Chartered providing the full range of bank current account services including a cheque guarantee card. The customer gets free banking provided the bank account is kept in credit and he or she retains a minimum investment of £100 in the building society account.

A feature of Moneylink is the sweep facility which allows customers to have savings bank funds transferred automatically to the interest bearing building society account. Customers with bank balances over £300 can opt for the sweep facility. Previously the limit was £150.

but there is no such move at present.

Mortgage demand is at peak levels but there is no sign of a return to mortgage queues, except at the Woolwich Building Society.

This is the only society which does not charge more than the basic rate of interest for larger mortgages.

Borrowers are having to wait an average of eight weeks, in central London 10 weeks, if they want a mortgage with the Woolwich. The society has had to limit advances to existing borrowers and investors as a result of the demand.

More generally, societies are

not concerned that there will be insufficient funds to meet mortgage demand. They say if there were a shortage of savers' funds they could raise money on the wholesale market.

Societies have also agreed to reduce their liquidity by an average of £200m a month until it reaches 16 to 17 per cent of total funds from about 19 per cent.

They are making this one-off contribution to mortgage funds from reserves as a result of the ruling on profits on gilts which makes investing in them less attractive. Previously, the bulk of the societies' liquid funds were invested in gilts.

The men were prepared for a strike lasting weeks or months, he said. "We are becoming more and more used to living on very low incomes. We are going to stick to it for as long as it takes."

Mr Potts said that an increasing number of Nottingham miners were responding to the strike call, but the media were misrepresenting the situation.

At Cresswell, where 45 men crossed the picket line out of a total of 200, the Press reported that the pit was working normally. If that pit was working normally that afternoon, then they're very good colliers," he said.

He said that talks yesterday with the management over the recent spate of disputes at the Cowley assembly plant had made no progress. Five or six sections, with several hundred workers, were in dispute with the company and likely to walk out at any moment.

Austin Rover has claimed that workers in the past two weeks at Cowley and at Longbridge, Birmingham, where the successful Metro and Mini models have been halted, are isolated incidents.

The strikers are protesting about low earnings. Their militancy reflects a belief that they have stronger bargaining power as a result of the market success of new models.

However, the big problem looming at Cowley is the union's refusal to agree to three-shift working, which the company insists is vital for the future model launch programme.

The management, after weeks of talks with the union, has given warning that it reserves the right to impose the change unilaterally. All 4,500 body plant workers at Cowley are due to meet on Wednesday to decide opposition tactics.

Mr David MacMillan, 42, a radio officer who first joined GCHQ 22 years ago, says: "I was a reluctant member of the Civil Service Union, I have been to three union meetings in my life, and I accepted to resign my membership last year."

Now he plans to attend a TUC training course for shop stewards.

Mr George Toulmin, 55, a mathematician-statistician first posted to GCHQ on national service in 1952, and first viola in the Cheltenham Philharmonic, says: "I have always gone along to two union meetings a year. I suppose I was a relatively inactive trade unionist."

Mr Toulmin lately has been a more regular attendee of meetings of GCHQ Trade Unions, the composite group put together from the remnants of all the former union branches. At 10.30 on May 6, 60 go to the Monday night gatherings to discuss develop-

LABOUR

Moderates' rebellion at Manton pit collapses

BY Brian Groom

AN ATTEMPTED revolt against the miners' strike by moderates at Manton colliery, in the National Coal Board's South Yorkshire area, collapsed yesterday, adding weight to Mr Arthur Scargill's claim that miners are prepared for a prolonged stoppage.

A packed meeting in Workshop attended by about half the 1,200 Manton miners. Mr Robert Taylor, leader of the right-wing rebels, was shouted down and his attempts to force a vote on a return to work were ruled out of order.

Moderates conceded that their supporters at the meeting numbered fewer than 100 and that backing for the strike had hardened since Manton was "picketed out" by other Yorkshire miners 10 weeks ago.

Mr Taylor said he had not decided his next move, but the moderates conceded it would be extremely difficult to cross picket lines and go back to work with so little support.

The Manton rebellion was the most significant revolt so far by moderates in the strike-bound left-wing coalfields and its failure will discourage others from similar moves.

Though classed as a Yorkshire area pit, Manton is in north Nottinghamshire. Mr David Potts, branch secretary, said the mood of the men was to go to the 25 Notts area pits and stop the miners there from working. He also expected a heavier turnout of local pickets to man the gates at Manton.

The men were prepared for a strike lasting weeks or months, he said. "We are becoming more and more used to living on very low incomes. We are going to stick to it for as long as it takes."

Mr Potts said that an increasing number of Nottingham miners were responding to the strike call, but the media were misrepresenting the situation.

At Cresswell, where 45 men crossed the picket line out of a total of 200, the Press reported that the pit was working normally. If that pit was working normally that afternoon, then they're very good colliers," he said.

He said that talks yesterday with the management over the recent spate of disputes at the Cowley assembly plant had made no progress. Five or six sections, with several hundred workers, were in dispute with the company and likely to walk out at any moment.

Austin Rover has claimed that workers in the past two weeks at Cowley and at Longbridge, Birmingham, where the successful Metro and Mini models have been halted, are isolated incidents.

The strikers are protesting about low earnings. Their militancy reflects a belief that they have stronger bargaining power as a result of the market success of new models.

However, the big problem looming at Cowley is the union's refusal to agree to three-shift working, which the company insists is vital for the future model launch programme.

The management, after weeks of talks with the union, has given warning that it reserves the right to impose the change unilaterally. All 4,500 body plant workers at Cowley are due to meet on Wednesday to decide opposition tactics.

Mr David MacMillan, 42, a radio officer who first joined GCHQ 22 years ago, says: "I was a reluctant member of the Civil Service Union, I have been to three union meetings in my life, and I accepted to resign my membership last year."

Now he plans to attend a TUC training course for shop stewards.

Mr George Toulmin, 55, a mathematician-statistician first posted to GCHQ on national service in 1952, and first viola in the Cheltenham Philharmonic, says: "I have always gone along to two union meetings a year. I suppose I was a relatively inactive trade unionist."

Mr Toulmin lately has been a more regular attendee of meetings of GCHQ Trade Unions, the composite group put together from the remnants of all the former union branches. At 10.30 on May 6, 60 go to the Monday night gatherings to discuss develop-

Rail unions threatening disruption from May 30

BY DAVID BRINDLE, LABOUR STAFF

UNIONS REPRESENTING British Rail's manual workers yesterday confirmed that their members would be told to take industrial action from May 30.

The National Union of Railwaymen and Aslef, the train drivers' union, said the action would involve a ban on overtime and rest-day working and a work-to-rule. It would apply to NUR members at Sealink, BR's ferries subsidiary.

The unions claimed the action would cause chaos to train services because of BR's heavy dependency on overtime working. BR admitted there would be disruption.

Rail officials were relieved that the unions had not agreed to ban Sunday working and had not set a earlier date. The breathing space of about three weeks was thought to give both

sides ample opportunity to come to terms.

The threatened action, agreed by Aslef's executive on Thursday and by NUR leaders yesterday, is in response to a pay offer of about 4 per cent and to BR's insistence that it be conditional on outstanding productivity issues being cleared up.

These issues are BR's contentious plans to run trains without guards and to cut double-manning of locomotives. The unions say there is no question of the pay issue being deferred pending agreement on them.

Mr John Paletta, BR's managing director of personnel, said: "While we are prepared to deal with the things separately, we are not prepared to deal with them out of relation to each other."

The proposed disruption

would be disastrous for the railways if it went ahead. The chief damage would be to BR's improving image, but he added: "We are dependent on overtime and rest-day working in areas where we have been running down staff for investment purposes."

Mr Jimmy Knapp, NUR general secretary, described his members as "people on low wages, working excessive overtime with clapped-out equipment." The overtime ban would show clearly the extent of underinvestment in the railways.

He denied the rail unions were acting in response to calls by miners' leaders to broaden industrial action against the Government. However, it was no coincidence there was unrest over policy throughout the public sector.

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Security printers sent home on full pay

By David Goodhart, Labour Staff

ABOUT 900 print workers formerly employed by Bradbury Wilkinson, the security printers, have been sent home on full pay until their statutory period of redundancy notice expires on July 20.

The company announced last month that the New Malden plant would be closing with the loss of 900 jobs. Most employees in the printing, finishing and dispatch departments kept turning up but refused to work after the announcement.

Sogat '82 and the National Graphical Association, the main print unions, both met yesterday to plan their response to what they describe as a lock-out.

A statement from the company last night said: "We have reluctantly decided to ask all employees in the printing, finishing and dispatch departments to remain at home on full pay until the end of the statutory notice period because of the high level security work in which this factory is involved."

Bradbury Wilkinson, owned by International Banknote Corporation of the U.S., says it has been hit in recent years by customer countries printing their own banknotes. It planned to shed 500 jobs in 1982 but after a three-week strike by Sogat members agreed to cut the redundancies to 350.

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Britain cautious on Irish talks

By Brendan Keenan in Dublin

THE BRITISH Government is expected to adopt a cautious approach in talks which the Irish Government is seeking following the New Ireland Forum report on possible political developments.

Mr James Prior, the Northern Ireland Secretary, is keen to make further attempts to judge the Northern Ireland parties towards some measure of agreement in the wake of the talks with Dublin. The future of the Northern Ireland Assembly is now widely seen as hinging on the success of his efforts.

Mr Prior has already seen Mr James Molyneux, the Official Unionist leader and Mr James Hume, leader of the Social Democratic and Labour Party. Both parties are boycotting the Assembly.

Mr Prior's efforts are likely to intensify after the European elections on June 14 but, if they are not successful, it is widely believed the Assembly will be closed after it goes into summer recess in July.

Meanwhile, officials will explore the promised new approach to the Irish question from Dr Garret Fitzgerald, the Irish Prime Minister, which could lead to summit discussions with Mrs Thatcher in the autumn.

Company payments to print workers tax deductible

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

PAYMENTS to employees of a Lancashire printing company, which were described as being in lieu of notice when the company decided to close, have been held to be deductible from its profits for tax purposes.

The High Court upheld a tax commissioners' decision that the sole reason for the payments by Southport Printers was to ensure that its business was not disrupted by the print unions during the run-up to closure.

The court rejected an Inland Revenue argument that the payments had been made as part of the company's legal liabilities on ceasing to trade, or to safeguard the businesses of other companies in the Liverpool Daily Post & Echo Group from possible disruption as a result of the decision to close Southport.

The payments, totalling £8,065, had been made to 27 employees whose entitlement to notice exceeded the period between the closure decision and the closure date in February, 1978.

Mr Justice Nourse said Southport had been aware of the potential consequences of the closure on itself and on the group as a whole. It feared possible disruption—a sit-in or sabotage of materials—by the print unions.

It had been accepted that it would be a waste of time to offer

no more than the statutory redundancy payment or anything like it.

Negotiations with the union led to an agreement to pay the 46-strong workforce a total of £11,000, of which Southport would provide £31,000 and other group companies the balance.

Mr Justice Nourse said the question was whether the £8,065 had been paid wholly and exclusively for the purposes of Southport's trade.

If the payment had been to meet the company's legal liabilities on closure, or to safeguard other group companies, it would not be deductible. If its purpose had been to achieve the orderly conduct of Southport's business prior to closure it would be deductible.

The judge said that the description of the payment as "in lieu of notice" supported the Revenue's argument; but the important question was not how the payment was described but the purpose for which it was made.

The commissioners had concluded that the right way to view it was as a single payment by Southport in consideration for the active co-operation of its employees while it continued to trade.

It was not possible to say that there was no evidence to support the commissioners' conclusion and the court therefore could not interfere with their decision, the judge said.

Full portability of pensions 'a disaster'

Financial Times Reporter

Mr Robert McCrindle, parliamentary adviser to the British Insurance Brokers' Association, yesterday predicted disastrous consequences if full portability of pensions was accepted by the Government.

The Conservative MP for Brentwood and Ongar was speaking at a meeting of the Association's northern region in Newcastle upon Tyne. He said there was much speculation as to whether the powerful pressure for portable pensions would find a response from the Government.

However, he made it clear he felt "full portability, meaning everyone able to come out of his company's scheme and make his own arrangements, would be disastrous because it would render many schemes incapable of continuing with smaller numbers without a spread of ages."

There was no reason to cripple the pension industry in that way because some portability could be introduced in a way that was challenging to the pension world and helpful to the individual.

The Government should be aiming at greater encouragement to additional voluntary contributions on a portable basis, he said, because over a period that would show contributors whether they fared better in a scheme or as the owner of a more flexible portable pension arrangement, in which they had more say over where their money was invested.

Redundancies sought

The Metal Box Company is seeking 100 redundancies at its cartons and labels plant in Speke, Liverpool, to make practical a £7m investment plan.

Teachers to step up action over pay

BY DAVID BRINDLE

LEADERS OF the National Union of Teachers called for three-day selective strikes yesterday to escalate disruptive action over pay.

The strikes, to start on May 22, are likely to take place in rotation at schools in at least one education authority in each of the union's 23 administrative regions in England and Wales.

Members at schools selected for action will be balloted and a two-thirds majority of votes will be needed to approve each strike.

Union leaders are confident of backing because of the strong

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GCHQ union loyalists try skittles option

BY DAVID BRINDLE

THE UNION official from London had been startled. That was no way to run a campaign, he had said. It would make them a laughing stock.

Nevertheless, the remaining union members at the Cheltenham-based Government Communications Headquarters opted to run the risk of ridicule and to persevere with their plan: they would form a "GCHQ trade unions" skittles team.

Though a trivial issue, it illustrates the nature of the struggle for the 150 or so union loyalists at the signals and intelligence-gathering centre. Membership of the area's Civil Service skittles league will, they argue, ensure that their name goes on every fixture list and league table planned up or circulated at the town's two GCHQ sites.

Should they win the summer competition, they believe they would severely embarrass Mr Peter Marychurch, GCHQ's director, who would be expected to present the trophy as president of the Cheltenham area Civil Service sports association.

By such harriving tactics have the loyalists set about reminding the GCHQ management that they are 1,000 strong, have accepted the £1,000 offered by the Government in exchange for surrender of union rights. If the tactics seem odd, they say, it is because it is an exceedingly odd dispute.

Mrs Ann Downey, a 26-year-old clerical officer, says: "We have to make up the rules as we go along because it is not a straightforward union issue. To a certain extent, it is more a civil rights issue."

Mrs Downey, a union activist long before the storm broke at GCHQ, is not typical of the 150 who have held out. Surprisingly, perhaps, most of the trade unionists—including members of the three accorded full-time status—gave in. Those who did not often seem the most unlikely candidates.

They are almost all from the higher staff grades, fierce in their moderation and insistent that their decisions to take a stand were in response to what they saw as a Government threat to their individual freedom.

"I would feel the same if the trade unions imposed a closed shop as I about this," says Mr Bruce Heywood, 39, a technical officer who has been at GCHQ for 20 years and who considers himself something of a Tory.

Mr David MacMillan, 42, a radio officer who first joined GCHQ 22 years ago, says: "I was a reluctant member of the Civil Service Union, I have been to three union meetings in my life, and I accepted to resign my membership last year."

Now he plans to attend a TUC training course for shop stewards.

THE WEEK IN THE MARKETS-1

Share prices take a tumble

At first glance the 444 point fall in the FT 30-Share Index within four trading days suggests that the bull market has finally broken and investors are running for cover. But that is not the case. Apart from a few large lines of stock there has been very little selling so far and while equity prices have admittedly taken a knock from the base rate rises, a 5 per cent fall is hardly an all-out rout.

Against the background of rising U.S. interest rates, weak sterling (at least against the dollar) and a climbing London money market rates, this week's increase in the clearers' base levels seemed almost inevitable. So perhaps the only real surprise is that some cracks did not appear in share prices ahead of the event. Anyway, with an absence of serious domestic pressures on interest rates, there must be a limit on how much further the UK will be dragged along by the U.S. The clearers are unlikely to run into double figure base rates in the foreseeable future.

The corporate sector is unlikely to be caused any serious damage by the latest round of rate increases and for many companies higher domestic interest charges could easily be countered by increased overseas earnings on currency translation. And it is the continuing buoyant outlook for profits which could underpin share prices almost regardless of interest rates. On pure fundamentals the market does not look expensive and rather than being worried that the 30-share has broken back below 900, some people are already talking of it bouncing up again next week. That may be a little too optimistic — after all the fall has been straight down this week.

Contrasting stores
On the retailing front British Home Stores provided investors with predictably lacklustre results but the department stores group, Debenhams, showed a clean pair of heels to the performance of most other High Street traders with a near 70 per cent pre-tax advance.

BHS's share price has been underperforming the stores sector for the past year and the

market was fully prepared for the group's weak trading result for the year to March. At £55.2m pre-tax, profits are less than 13 per cent up which lags behind the standards set by most of the other retailers. The 87 per cent sales advance, for example, stands against 14 per cent for Marks.

Yet in fairness it is clear that BHS's management is well aware of the group's shortcomings and is embarking on a programme of both store and product development. Twenty-five stores are due to be refurbished this year — the chain's biggest-ever development plan — at a cost of around £60m, a spending budget the directors expect to see maintained for the future.

Conran Associates has been taken on board to aid the re-design work of both the outlets and the goods on offer. But even the famous Conran magic cannot work miracles on a major High Street chain overnight. Changes will take time to work through to the profits line while the inevitable physical disruption to trading will take the edge off this year's

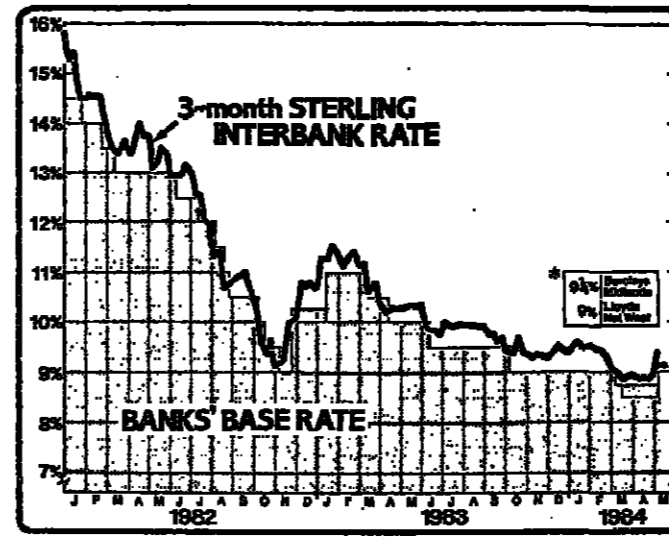
performance. Profits might exceed £60m but the market remains sceptical of BHS's ability to pull itself back to the forefront of the retailing scene.

Over at Debenhams increased consumer spending coupled with an internal drive to improve efficiency has transformed an 11 per cent sales increase into a £13.1m surge in pre-tax profits to £32.7m. Of more than a little help, however, has been the buoyant credit company, Welbeck. Its profits are more than doubled to £17m, an achievement that could make some of the traditional consumer credit men slightly green. Indeed so encouraged is Debenhams by its financial services business that it is now talking of widening its field of activity — a pilot estate agency scheme no less.

Royal disappoints
Royal Insurance has got the composite insurance sector's first quarter reporting season off to a dismal start. With its underwriting loss up from £64.2m to £101.8m Royal col-

lapsed into a loss of £20.4m compared to a £9.2m profit. The executives had pointed the way to a bad first quarter in the annual accounts but even so, when shareholders mustered for Thursday's annual meeting they were not prepared for such a sizeable loss. By yesterday analysts were rethinking their 1984 forecasts and undoubtedly Royal has set the tone for next week's figures from Commercial Union and General Accident.

The freeze-up in the North of England and Scotland is blamed for much of the setback. Weather losses totalled £45m, £28m higher than the first quarter of 1983, with the UK deficit soaring to a record £22m. Yet the poor weather was only part of the story. Despite all efforts to raise premium rates and curb overheads, the U.S. market remains as big a problem as ever. Underwriting



losses climbed by nearly 50 per cent to £60.2m and it is not just the weather to blame there. Royal was hit by an unexpected run of high cost claims on its commercial business.

Now it looks as if the group will be hard pushed to match 1983's pre-tax profits of £98.3m during 1984. Earlier in the year some optimistic outside forecasts had been pitched at close to £120m. Even if it can hold its pre-tax line, earnings look almost certain to fall as Royal runs down its U.S. tax credits. All in all the tax bill could be in the region of 30 per cent against 18 per cent last year. The case for buying composite insurers is hardly overwhelming at present.

Trafalgar House
Trafalgar House is more than happy to keep the market guessing as to its intentions towards P&O. This week Mr Nigel Brookes, Trafalgar's chairman, liberally injected clues into his statement accompanying the half-time figures though some of those signposts could well lead to blind alleys eventually.

One point, however, remains as clear as ever — the logic behind the bid has not changed since the Monopolies Commission called a temporary halt to the battle last year. P&O's share price has undergone a substantial re-rating since Trafalgar made its first play but the bidder's price has not lagged behind and the original five-for-four equity offer is not far off beam even now. So there seems little standing in the way of Trafalgar's return though it is hardly in Mr Brookes's interests to reveal his hand yet. Any weakness in Trafalgar's share price could prove critical to the decision-making process in a month or two.

As for the figures, here again shareholders were left with the suspicion that the results had

been displayed with an eye towards bid strategy. At £45.9m pre-tax, a 37 per cent rise over the comparable £33.6m, the profit looks impressive enough to underpin the current share price. Dig below the immediate surface and it is clear that a maiden £18.9m contribution from oil and gas at the operating level plays a leading role.

Indeed all the other operating divisions were lower at half time, but better figures are promised for the second half. It could be a case of preparing the ground for an impressive bid battle forecast. The market is thinking in terms of £110m or thereabouts for the full year and the company has already predicted a 17.6 per cent dividend increase to 10p a share.

Continuing in the nautical vein, European Ferries, which has also proclaimed its interest in Sealink, reported its full year figures. Including profits on ship disposals the pre-tax line advanced by £13m to £44.1m, though for a great many of its individual shareholders it was not the profits performance that was important but the ending lagged behind and the original five-for-four equity offer is not far off beam even now. So there seems little standing in the way of Trafalgar's return though it is hardly in Mr Brookes's interests to reveal his hand yet. Any weakness in Trafalgar's share price could prove critical to the decision-making process in a month or two.

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Profit pressures

THE U.S. equity market is beginning to look like an impatient bull hemmed in by an extremely strong security fence. For the last couple of weeks, the bull has been pawing and snorting as it sees the promise of juicy green grass on the other side of the palings; but every time it approaches, someone banks in an extra reinforcement to the fence.

For investors, the bait which is tempting them to break free of the restrictions which have increasingly boxed them in over the last three months, is the continuing rise in corporate profits.

The spate of strong dividend increases announced over the last few weeks is evidence of the high degree of confidence now being displayed by U.S. corporate management. General Motors, for example, said on Monday that it was pushing up its quarterly dividend from \$1 to \$1.25 a share, an increase which has finally taken it back over the \$1.15 which prevailed before the dark days of 1980, when it was cut to 60 cents a share.

With price inflation down from the stratosphere, the quality of profits has also recovered dramatically. In fact, according to Smith Barney, the Wall Street brokers, profits are now being significantly underestimated, because of accelerated write-offs on plant and equipment. This reverts a trend which started in the early 1970s, when inflation feeding through into stock prices led to an under-reporting of the true costs of production, and thus falsely exaggerated reported earnings.

NEW YORK
TERRY DODSWORTH

At the same time, the Treasury bill market was displaying all the signs of a classic investor switch to quality, as a surge of interest brought rates down at the same time as bank Certificates of Deposit went soaring up.

In these circumstances, the equity market showed remarkable resilience during the week until pole axed on Friday, when the enormous jump in long-term interest rates sent the Dow into free fall.

How long equities can maintain these vestiges of optimism, if the debt markets keep the bit between their teeth, is anyone's guess. But meanwhile the present reduced rating of the stock market has helped to stimulate a number of special situations. First, it is encouraging several companies to restructure their balance sheets by embarking on massive share buy-backs. The profits recovery has left many companies flush with cash and the 10 per cent setback in the stock market from last year's highs has made their own shares an attractive buy in terms of raising earnings per share.

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1983/4	1983/4	
	y'day	on week	High	Low	
F.T. Govt. Secs. Index	79.75	-1.27	81.77	79.75	Rising interest rates
F.T. Ind. Ord. Index	871.0	-44.4	922.8	770.3	Dearer UK borrowing costs
F.T. Gold Mines Index	618.6	-46.5	711.7	520.2	Int. rate rises unsettle gold
Amstrad	100	-72	124	80	£12.5m rights issue
Bishopsgate Trust	187	+33	190	144	Bid approach
Burton Group	267	-23	298	212	Consumer spending fears
Cons. Gold Fields	525	-53	627	467	Weak precious/base metals
Datastream	530	+175	533	200	Bid from Dun & Bradstreet
European Ferries	110	+11	117	83	Results/cap. reorganisation
Garnar Booth	140	+10	150	100	Bumper annual profits
Greenfields Leisure	45	+ 8 1/2	49	30 1/2	Consortium bids near-26% stake
Leach (Wm.)	145	+51	145	70	Bid from C. H. Beazer
MEPC	279	-16	306	250	Rising interest rates
Macpherson (D.)	125	+16	125	44 1/2	Counter-bid from Tikkuria
MIM Hlids.	210	-20	252	210	Third-quarter loss
Newbold & Burton	130	+20	133	70	Bid approach
Petroland	495	+70	505	140	Texas exploration hopes
Rendland	274	-29	316	256	Roof-cling competition fears
Simon Engineering	448	-45	502	390	Results/cautious statement
Ultramar	605	-60	722	605	First-qr. results disappoint

Godwin's step to fortune

BY WILLIAM DAWKINS

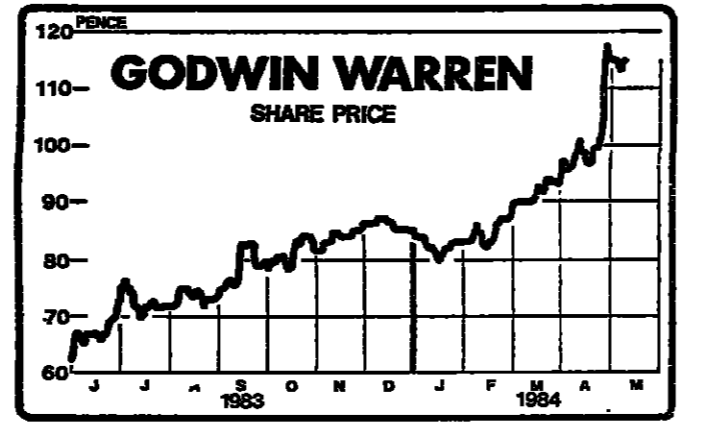
HOW DO you stop a suicide bomber driving a lorry-load of explosives straight at your front door?

Few people are better qualified to answer that question than David Simpson, managing director of the computerised parking systems company, Godwin Warren Control Systems, which also makes safety barriers, level crossings and racehorse starting gates.

Unlisted Securities Market

Simpson, 49, has recently returned from the U.S., where he has been explaining to security experts at the State and Defense Departments the virtues of Godwin Warren's rising step — an 18-inch steel barrier which springs out of the road and is said to be tough enough to stop a 30-tonne lorry in full tilt.

After last October's suicide bombing of the U.S. Marines' headquarters in Beirut, Washington is seeking to secure its official buildings all over the



world against similar attacks. The company is competing against Delta Scientific of the U.S. for 1,000 or more orders to supply and maintain its £10,000 rising steps for U.S. embassies and defence establishments in America, Europe, the Middle East and Far East. It expects

to receive initial trial orders within the next few months. Godwin Warren celebrated its first anniversary on the USM this week with a 54 per cent increase in pre-tax profits to £309,000 for the year to last December.

A few days before the results, the shares climbed up to a new high of 117p, but the price slipped to 115p after the announcement, valuing group at £1.1m.

Even at that level, investors who bought Godwin Warren shares at last May's 37p placing price have more than doubled their money.

Analysts are expecting pre-tax profits to rise by 30 per cent to £400,000 this year, putting the shares on an earning multiple of about 13, which is undemanding by USM standards.

Godwin Warren's bread and butter comes not from stopping rogue lorries or starting horse races, but from making automated parking equipment. Parking systems account for half of sales and give Godwin Warren an estimated 80 per cent share of a £1m UK market.

Its computerised ticket machines do their own auditing, collect ticket fares and even enable car park attendants to talk to drivers without leaving their booths.

They are gradually replacing the basic "pay and display" machines, which many local authorities are ditching because large numbers of drivers take no notice of them and park for free.

But Simpson's heart is really set on the U.S., where his Parkscan remote car park surveillance equipment is on trial by the New York Port Authority at JFK International Airport.

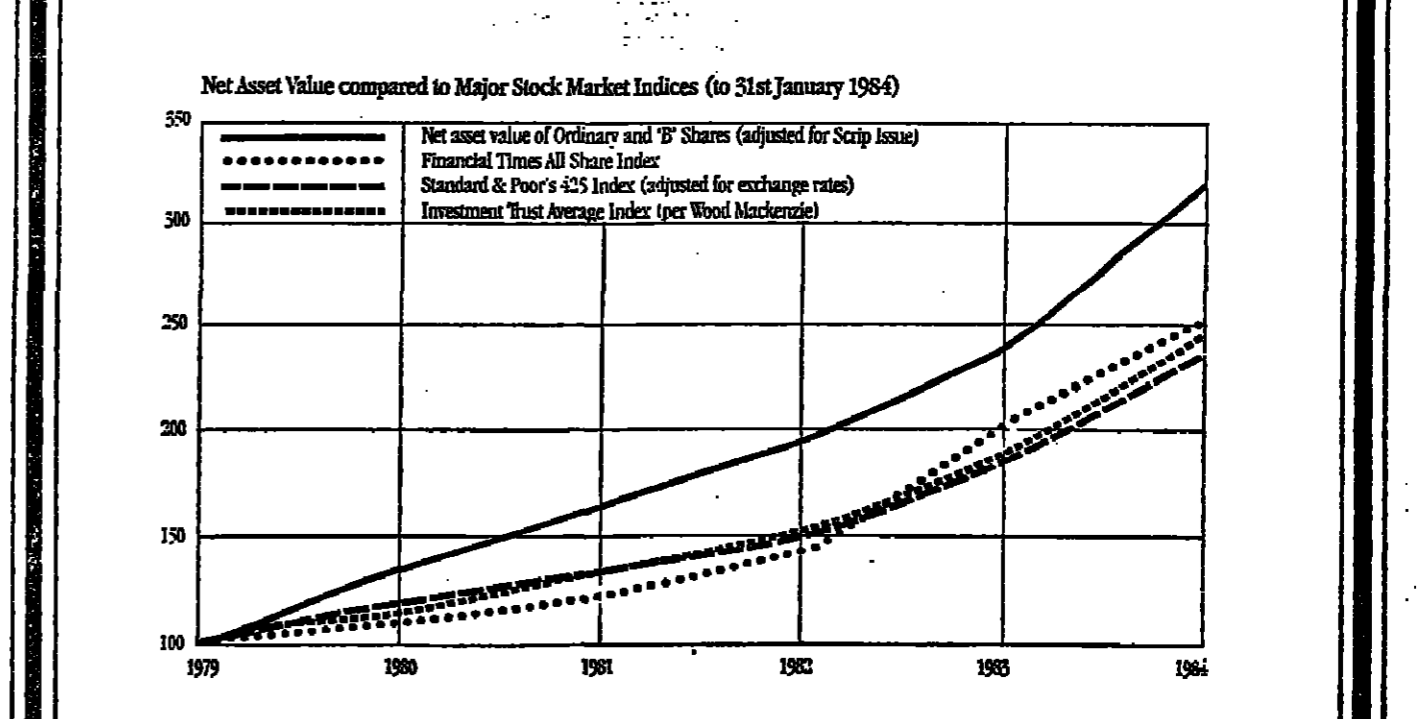
His two-man marketing branch in Georgia generates 10 per cent of group sales — possibly rising to 15 per cent this year — but has never made a profit in the three years since it was set up.

English & Scottish Investors p.l.c.

Net asset value rises 41% over one year and 219% over 5 years. Share price up 255% over 5 year period. Extract from the Review of the Chairman, Lord Tryon

- ★ Value of investments risen to £67m
- ★ Build up of unlisted portfolio to around £10m
- ★ We remain among the very best performing Investment Trusts

Financial Highlights	31st January 1984	31st January 1983	Movement %
Net Asset Value per Ordinary and "B" Share	157.8p	111.8p	+41.1
Financial Times All-Share Index	501.36	395.02	+26.9
Capital International World Index (Adjusted for exchange rates)	151.79	105.61	+43.7
Dividend per Ordinary Share of 25p	2.1p	2.0p	+5.0



For copies of the Report & Accounts of English & Scottish Investors p.l.c. write to the Managers.

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2-4 St. Mary Axe, London EC3A 8BP

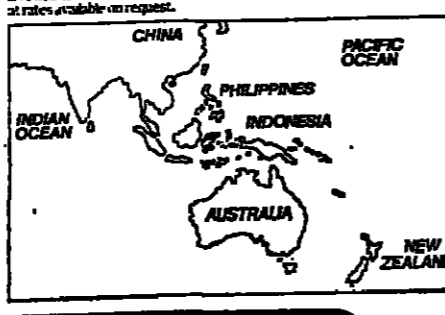
A NEW UNIT TRUST INVESTING IN ENERGY SHARES

Interest has revived in the Energy Sector, and specialist fund managers, Waverley Asset Management Ltd., now introduce The Pacific Basin Energy Fund, a new U.K. Authorised Unit Trust investing in energy companies both in Australia and other regions of the Pacific Basin.

1984 will be a year of record oil and gas exploration activity in Australia, with almost 250 wells to be drilled. The wells drilled are generally considered by the industry to offer greater probability of success as a result of massive expenditures over the past 2 years on seismic studies, and due to their proximity to other recent discoveries.

The Pacific Basin Energy Fund is the first U.K. unit trust to offer the investor the opportunity to specialise in this exciting area through a broadly-based portfolio of oil producers and explorers. At the outset, over 75% of the Fund will be committed to Australia, with the balance invested in other energy producers, oil and gas explorers in New Zealand and the South China Sea.

The fund objective is capital growth and the initial offer of units at 25p each closes on 18th May. It is important to remember that the unit price and the income from it can go down as well as up.



BONUS OFFER
For those investing by 18th May we offer a 1% Unit Bonus on investments of £1000 to £1500 and 2% on sums exceeding this amount. The cost of this bonus will be borne by the Managers.

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To: Waverley Asset Management Ltd, 15 Charlotte Square, Edinburgh EH2 4DJ

Surname (Mr/Mrs/Miss/Title)

Postcode

Date

Signature

Client Applications must be signed and dated (please send separate copy to Rep. in Scotland No. 85704, Reg. Office above. This offer is not available to residents of the Republic of Ireland.

FT12/5

Waverley Asset Management
MEMBER OF THE UNIT TRUST ASSOCIATION

Traumatic family tracing attempts

BY OUR LEGAL STAFF

Our Family Association contracted with a firm to provide some genealogical research mainly in London. It was paid in advance and was incomplete. When we protested we were then billed an additional £184.43 for work never provided or agreed upon. We then protested to the Association of Genealogists and Record Agents, the director of the firm being a member, as most of the staff, according to their letterhead, this organisation declined to take action despite their advertised existence to "protect the interests of both clients and members."

We then contracted with another person for two complete family histories. He was paid a total of £491 plus \$6,000 and provided copies of all past research material to assist and avoid duplication.

In over a year all that we received was a series of scrambled notes and an incomplete compendium. When we requested an accounting and a completion date we were abused and billed an additional \$432.

I went to London and met with a firm of solicitors who were retained to handle the matter. They wrote him a letter to which he replied with further abuse and another billing wholly unsubstantiated and unsupported. He ignored all further letters from the firm of solicitors as he had our latter correspondence. He has not

returned our property valued at in excess of £3,000.

The solicitors advised court proceedings would be expensive with a dubious outcome and it was not a matter for small claims. They suggested the police are not interested since there are civil remedies however impractical and expensive, and that we bring the matter to the attention of the Office of Fair Trading, Trading Standards Department and The Advertising Standards Authority. This was done.

The Office of Fair Trading replied they do not deal with individual complaints. The Trading Standards Department advises the matter does not fall within the scope of any legislation enforced by them and we should sue the matter of fraud should be referred to the police authority. The Advertising Standards Authority advises they only investigate when specific claims are made that are either unwarranted or untrue.

First, you should not pay any more money out. Second, it might well be worth contacting the police fraud squad, both to save others from like treatment and to reverse the psychological advantage which the genealogist thinks he has. You must then decide whether to claim back your \$6,000 and £491. This can be done in the County Court in England and need not be as expensive as a High Court action. You probably have a valid claim based on money

paid for a consideration which has wholly failed; but it would be necessary to consider the full documentation to determine the strength of your claim.

Grandchildren covenants

Both my wife and I have separately made out 10-year covenants in favour of our grandchildren.

During the current year my wife's taxable income is likely to fall short of the amount she has covenanted. We are jointly assessed for tax purposes, and in these circumstances will the amount not covered by her income be transferable against my income.

Your advice would be appreciated. Yes, almost certainly (by virtue of an unpublished extrastatutory concession).

Working abroad

My son is in the near future going to work abroad (in Borneo) for one year or more. Part of his salary will be "taxes (local) paid by the firm" and part will be liable to taxes to be paid by my son. He intends to retain his house in this country. Could you please let me know what the effect of this latter will be on his liability to UK taxes.

You will find general guidance in a free booklet IR20 (Residents and non-residents: liability to UK tax), which is obtainable from tax inspectors' offices. You could also ask for a copy of IR25 (Taxation of foreign earnings), but you will have seen from the FT after the Budget that most of the rules are being changed (for the worse) by the Finance (No 2) Bill. In a local reference library, you should find a copy of the Indonesia/UK double taxation agreement in, for example, volume 5 of the British Tax Encyclopedia or volume F of Simon's Taxes.

Selling the home

I had a property for sale in the hands of several agents, but no acceptable offer was made.

I advised them all in writing that I was withdrawing my instructions by a certain date and that thereafter I would be under no obligation to them of any kind.

As a result of my advertising I received an offer which I accepted from a buyer who had previously made a lower offer through an agent. At the time I did not know his name and had had no contact with him. His first contact with me was made eight days after

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

the date on which instructions to the agents were withdrawn. Has the agent any claim against me?

If you can establish by evidence that the offer was made in response to your advertisement and that the offeror had completely withdrawn after his previous introduction the agent would not be entitled to commission.

Breaking a Trust

I am the beneficiary of a Trust worth about £200,000. I have the income for life and on my death the capital is divided between my three sons. I am late forties and they are in their twenties.

I now wish to break the Trust, giving my sons some of the capital and keeping some myself. Can this be done by a letter of consent drawn up by my solicitor who is also their solicitor? Also does Capital Transfer Tax and Capital Gains Tax apply? I have not given any capital away for over 14 years.

It would be necessary to prepare a formal deed to release your life interest. You would be wise to consult a solicitor as a charge to capital transfer tax could arise particularly if the division of capital is not made on an actuarial basis.

Whistling in the dark

BY KENNETH MARSTON

MINING men may be optimists at heart, but there are times when even the most hopeful of them find it tough going to keep up their spirits. One such must be Mr George E. Munroe, chairman of Phelps Dodge, the biggest copper producing company in the U.S. after Kennecott.

So depressed was the market for copper in 1982 that Phelps closed down all its mines. It began to reopen them in the early part of last year when it seemed that better times were on the way for copper, despite the continued over-production of the metal throughout the world.

But prices soon slid back again and, ironically, a similar pattern has been emerging this year. Phelps lost \$74.3m (£53.6m) in 1982, a further \$63.5m in 1983 and is still in the red. Only a substantial rise in the metal price can make Phelps profitable again.

Still, Mr Munroe has been gamely looking on the bright side at the recent annual meeting. Admittedly, there remains far too much copper about but at least world demand for it is strong and this has reduced surplus stocks by over 40 per cent since the beginning of the year, said Mr Munroe.

In fact, he added, surplus stocks of copper are now lower than they were in 1979 when there was a subsequent upswing

in the price cycle. He did not go so far as to suggest that history was about to repeat itself, but at least it was comforting to know that there were plenty of buyers of copper, albeit at low prices.

This is also true of the other base metals, but their prices have also been slipping back. The answer must be that demand and there could also be technical influences at work in the markets, such as short selling by dealers who have yet to be convinced that world recovery has really got under way in the capital goods sector.

Sir Roderick Carnegie, chairman of the Rio Tinto-Zinc group's Australian arm, CRA, has also made the point at this week's Melbourne meeting that the world is more sparing in its use of metal these days: "each kilogramme of metal goes a long way further than it did a decade ago."

A man who has little difficulty in restraining any undue optimism despite, or perhaps because of, CRA's swing to a profit of \$87.5m (£48.8m) last year from a loss of \$813.6m in 1982, Sir Roderick commented that the world economic recovery was still "slow, hesitant and uneven."

And for good measure he added: "We will do well in 1984 if group earnings moderately exceed 1983 levels." Although accustomed to Sir Roderick's cautious comments, the shareholder which had been—and perhaps still is—looking for better things this year reacted nervously and the shares have since fallen from 40% to 30%.

Less cautious observers may now be giving more consideration to Sir Roderick's further remark that "the fastest growing markets in the world are on our doorstep in Asia. We have competitive advantages in delivering into Asian markets."

The current dullness in share and metal markets could provide buying opportunities for potential long term investors in CRA.

Mr Pierre Gousseland, the Frenchman who heads up the U.S. Amax diversified natural resources group, has few inhibitions when it comes to putting a bright face on things.

Now that the company has returned to profitability in the first quarter after two years in the red he was moved to quote Shakespeare on the subject at a gathering of the investment community at the Goldsmiths' Hall in London on Thursday. "Sweet are the uses of adversity, which like the toad, ugly and venomous, wears yet a precious jewel in his head," Gousseland added. "Shakespeare was right," pointing out that the jewel of Amax's adversity was the discovery of how to improve productivity.

Another jewel was last year's share purchase of Peabody's U.S. Howmet aluminium sub-

sidary. The enhanced interest in aluminium coupled with the U.S. coal and oil and gas interests and sales of non-mainstream assets, should keep Amax on the recovery path this year.

Enough of base metals: what of gold? The general view is that not much is likely to happen to the bullion price for the next few months, especially with the U.S. presidential election looming, and, of course, a strong dollar and high interest rates which together put the bulls of gold to flight.

Pictures change, though, and some observers see the spectre of U.S. inflation, emerging. Stockbrokers W. Greenwell, for instance, expect that by the end of the year inflationary expectations will increase while the dollar and interest rates will move down with a resultant resurgence of buying in the bullion market. So they forecast that the gold price will rise to an average of about \$420 per ounce in the third quarter of this year and reach an average of \$435 in the final three months.

Allowing for the fact that the South African mines currently have an exchange rate advantage for their dollar gold sales, this forecast still leaves the majority of South African gold shares looking expensive.

Why have they kept up so well? Dr Fred Colliender of brokers Strauss, Turnbull may have put his finger on it. He says that the sharemarket is being sustained by a big wave of money seeking investment, particularly in South Africa where such institutional funds are locked in to the country by exchange controls.

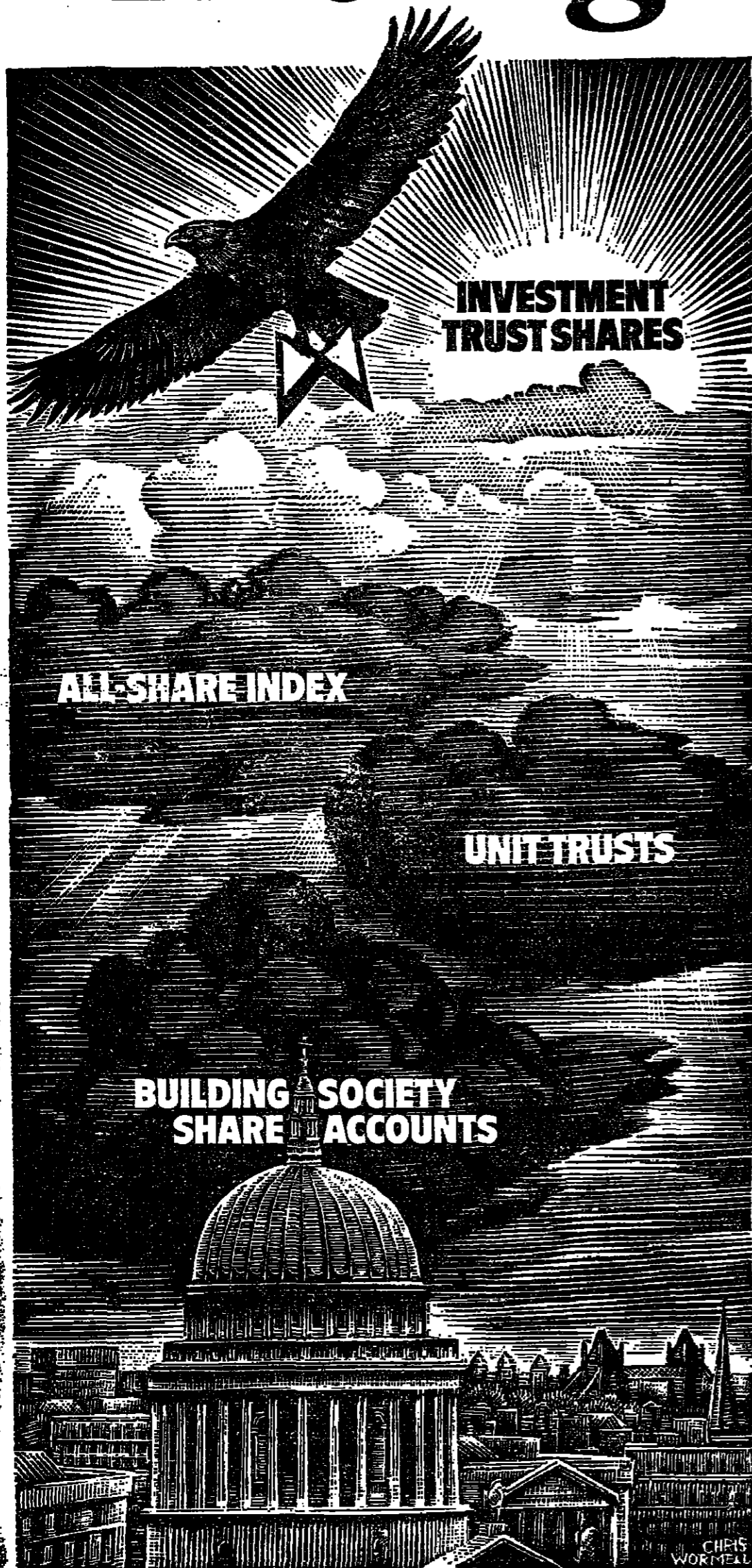
It is therefore, not so much a question of gold mine prospects but of supply and demand for their shares. He makes his point by showing that as much as 90.98 per cent of the major quality South African gold and platinum shares are now in the hands of less than 100 individual institutional shareholders.

Should such holders become disenchanted with their investment, share prices would be very vulnerable. There is no sign at the moment that this will happen, but for the time being the small investors might be advised to treat this market with caution.

Vancouver promoter Mr Murray ("The Pez") Pezim is to offer two shares in his Perameria Resources for one share of the Canadian Remko gold area company. International Corona Resources with the aim of securing an increased stake of 51 per cent in the potential Canadian gold producer.

The Corona's property, which looks to be a winner, is expected to reach production by 1985. Apart from exploration, the assets of Perameria include an ice cream business and a company marketing recorded cassette greetings. On the face of it, the offer does not seem particularly tempting to gold mining investors in Corona.

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Today's Rates 10 1/4% - 11%

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طهران ۱۳۶۳

YOUR SAVINGS AND INVESTMENTS-1

Robin Pauley reports on the gale blowing through your letter box

Ratepayers... the rich and the poor

Come the spring, as clearing skies and blossoming buds inspire the hope that it is all getting better, an unwelcome but inevitable black cloud arrives to hit personal finances like a cyclone: the rates bill.

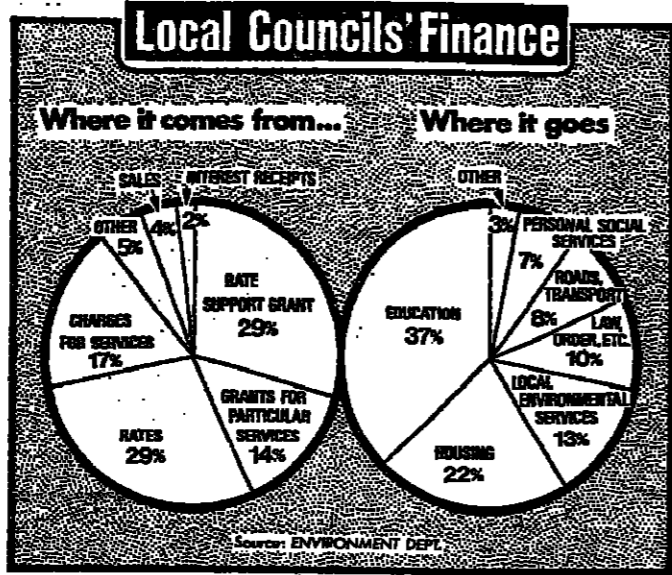
Forget the Rates Bill, which is causing so much fuss in Parliament. It is the rates bill which really matters at this time of year, probably the most unpopular single piece of mail in the year—except for farmers, that is, who by historical accident do not ever get a rates bill for either land, buildings or home.

The rest of us usually have three choices: pay up immediately, pay half now and half after the summer holidays or pay 10 per cent of the bill in each of 10 consecutive months during the financial year. The latter is the only sensible course as the others constitute what amounts to an interest-free loan to the local authority when the money could more usefully be earning interest for the ratepayer in his own account. All councils are obliged by law to allow rates to be paid in instalments.

The rates are a straightforward local property tax levied on the householder. They are calculated in a bizarre and anomalous way. Each house, flat, office, shop and factory has a rateable value which is badly out of date, having not been revalued for more than 10 years. In addition, the rateable value is a curious guess at a notional rental value which the property might command.

This produces the "RV," a figure which has virtually no relation to either the value of the property or the real rent it might command. The rate bill outside London comprises that RV multiplied by the rate in the pound set by each of two local authorities in which the property is situated—the district and either the metropolitan county or the shire county. In London the RV has to be multiplied by four figures—one for the London borough rate, one for the Greater London Council, one for the Inner London Education Authority and one for the Metropolitan Police, all of which are totalled up into one bill.

The combination of widely varying property values and rateable values across Britain, coupled with the inconsistent



and arbitrary way in which government grant is handed out to local councils, produces rate bills which can differ by a factor of 10 between the Welsh valleys and central London while the difference in average incomes is only about 1:1.

This year, for example, the lowest average domestic rate payment will be £118.12 in Rhondda, where the average domestic rateable value is £53. The highest average domestic rate bill will be £727 in Kensington and Chelsea where the average rateable value is £528.

London's rate levels have been helped this year by a cut of 8 per cent by the Greater London Council and a rise of only 3.9 per cent from LLEA. So although Kensington and Chelsea raised its local rate by 9 per cent the effect of the other portions meant the overall domestic rate bill rose by only 2.3 per cent, taking the average bill up from £710 to £737. Some ratepayers in inner London Labour boroughs have fared relatively worse this year—Hackney put its local rate up 36 per cent to more than £1 in the pound, Lambeth did the same with a 34 per cent rise and Islington still needed a 30 per cent rise after withdrawing £16m from balances to subsidise the rate.

The upshot is that London has become a very expensive area in which to pay rates, even after subtracting the high travel costs which commuters have to pay. A three-bedroom house in Chelsea now has rates of

around £2,000; a listed Georgian eight-bedroom, five-bathroom house in six acres of Cambridgeshire has a rateable value of only £492 and a rate bill of £680.

This year, many ratepayers are facing fairly low rate rises although this still produces some hefty bills because the base has been taken to such a high level in recent years in many areas, most notably the capital.

The average rate increase in England this year is 5.8 per cent, the lowest for a decade. But this average figure masks some very large fluctuations, even outside the London areas mentioned above. But in the country the starting base is usually very low. Slough, for example, has increased its local rate by 100 per cent, up from 5p to 10p in the pound. Other large increases in the districts were in Cheltenham (up 65 per cent), High Peak (up 50 per cent), Blackburn (up 49 per cent) and Milton Keynes (up 48 per cent).

The local rate has a smaller impact on the total rate bill than the county portion and, in the main, the shire counties have kept their increases down although some, such as Cambridgeshire (up 10 per cent) and Derbyshire (up 13 per cent) are still double the inflation rate. Bedfordshire and Berkshire, on the other hand, have frozen their rates.

Although the Conservatives have made lower rates one of their main policy objectives it

is not clear that this is always what the rate-paying public wants, particularly if it means cuts in services such as education. Bristol cut its rate by 3 per cent this year but the Tories still failed to win control in last week's local elections. Birmingham, described by the Government as a "model local authority" cut by 1 per cent and the Tories lost heavily with Labour taking control.

In some metropolitan areas there is no great ballot-box incentive for the local authority to care too much about its rate levels; the majority of its rate income comes from commerce and industry (75 per cent in Camden, for example), and many of the domestic ratepayers receive rebates or DIBS benefits.

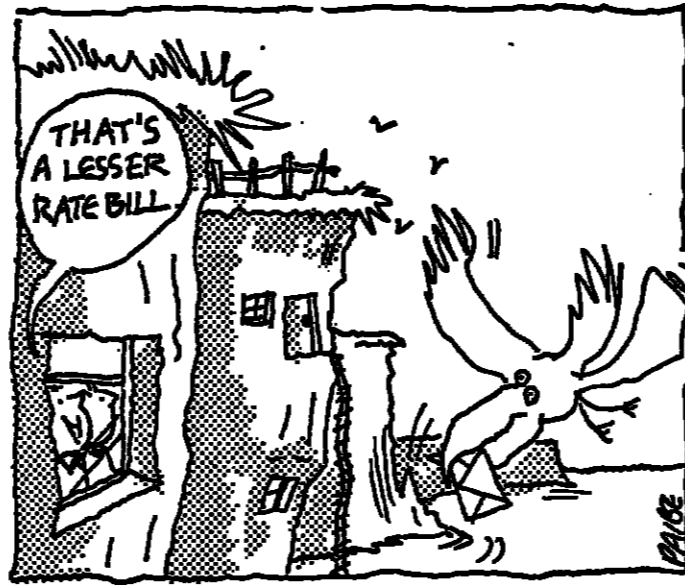
All domestic ratepayers, rich and poor, receive a subsidy from the Government, usually 18.5 in the pound, deducted from bills before they are sent out. This costs the Treasury around £700m a year for England and Wales and a further £300m of potential income is lost because the farming lobby has so far successfully resisted claims that it should be included in the rating system along with everybody else.

Successive attempts by the Government to find an alternative to rates have foundered. This is mainly because the principal disadvantage of the rates—that they fall on too few people and are not progressively related to ability to pay—are far outweighed by the advantages which make them a "good" tax:

cheap and easy to collect, difficult to evade, buoyant and high yielding. Local authority expenditure will account for £32bn this year, around a quarter of all public spending. Of this £28bn will be current spending—£25bn in England and Wales alone—and ratepayers have to find about £12bn of that.

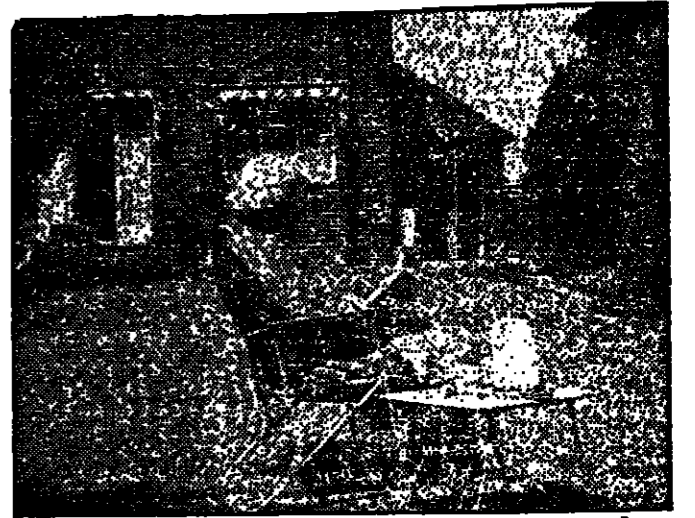
The pain is not helped by the fact that the complicated new grant and penalty systems and their inter-active formulae produce inconsistent results, often leaving councils which have cut to the bone little choice but to levy high rate rises. This is partly because councils have to try to meet two separate Government targets and exceeding either causes a sharp drop in grant as a penalty which has to be made up through the rates. In some cases councils are spending below the Government's target for the minimum level needed to provide a standard level of services but they are still having to pass draconian penalties onto their ratepayers because the second target, a cut based on the previous year's already very low spending, is being exceeded.

So in some ways the less a council spends the worse its rate predicament can become. The link between higher expenditure and higher rates has been broken completely; a profligate council can have a low rate rise just as easily as a prudent council can need a high one. So the rate bill can no longer be greeted furiously with any certainty that the fury is directed at the right quarter. It is all very taxing.



How Miss Saltwater made her mistake

ARTHUR SANDLES tells a cautionary tale for elderly investors



MISS SALTWATER was one of the more popular stalwarts of the village. There was always a smile and a wave. Her dog, a round Jack Russell, seemed to carry almost as many years as its mistress, but not quite so well.

Miss Saltwater was 80. To all appearances she was a comfortably provided for, elderly spinster. Unfortunately Miss Saltwater was, in fact, broke.

With only minor changes this is a true story.

Miss Saltwater's financial problems came to a peak when her tiny car also began showing signs of age. The village concerned boasts fewer than 200 inhabitants and the bus to the market town six miles away comes only twice a week. The nearest shop is in the next village, a little over a mile distant. Too far for 80 year old legs to walk, certainly on a hot day, and with shopping.

And anyway Miss Saltwater had suffered two heart attacks and had problems with a shortage of breath from time to time.

To solve her financial and transport difficulties Miss Saltwater turned her attention to her only real asset. The small village house had been hers for many years and was untrammelled by debt. She scanned the information on the Hambro Life Home Income Plan and decided it was the answer to her problems.

Under the scheme she chose (of her options, more later) she received a lump sum in cash, a little over £1,800, and a monthly cheque promised for the rest of her days approaching £40.

She used the cash as a down payment on a new Mini and planned to use the annuity for the repayments. One monthly cheque arrived.

Then Miss Saltwater died. Hambro Life had based the policy on a £20,000 mortgage. The Saltwater estate found itself owing Hambro that £20,000, with a theoretical deadline of six months to pay up—meanwhile paying interest. Selling the house was the way to do it. It is a familiar tale to Hambro. It has been writing such

policies since 1972 and currently does around 1,000 a year. At the moment about 7,000 plan holders, most of them elderly women, are collecting their annuities. However, 100 people a year die shortly after completing their arrangements. "When people die soon after they sign, we get a hassle. When they live for a very long time we get a letter of thanks—but we have made a loss."

Hambro insists that it is not a profitable line of business: "People are outliving our projections so we are not expanding the market."

Miss Saltwater, whose blood relations were rather more distant than they might have been had she ever seen a Man and Granddum, could have protected her beneficiaries to some extent had she chosen to do so, at a price.

An alternative plan to the one she chose, which would have reduced her monthly take, would have cut the first year mortgage to 25 per cent of the £20,000, with 50 per cent in the second year and 75 per cent in the third.

Hambro says the average Plan taker is a 75-year-old female. She is probably taking a £22,000 mortgage on a house worth £45,000. It says of its own policies that people should only take them out as a last resort.

"People should talk to their relations and their friends about their problems. The elderly should trade down in their housing, but they do not want to move. If people sell their houses and use some of the money to buy an annuity,

and then die, no one seems upset, but if they take an income plan then the relations protest. "We are always asked to grant a concession in the case of early death."

For some time Hambro has been urging solicitors to point out the alternatives before allowing their clients to sign.

Now the company has grown sufficiently worried to insist that each new policy must be accompanied by a written assurance from the lawyer concerned that such alternatives have been pointed out. "But still," says Hambro, "the demand is enormous."

Apparently much of the difficulty is caused by families being unwilling to discuss money with each other—particularly in the sensitive area of who might get what in wills and how to avoid heavy capital transfer taxes.

"This is silly," says Hambro. "Children really must talk to their parents and help out."

Miss Saltwater is now becoming only a memory in the village. Her garden, which had been proving a little much for her tired arms, is sprouting under the care of new owners.

Her Mini has been sold and the hp paid off. No one is particularly satisfied with what has happened. Miss Saltwater enjoyed her new car for only a few weeks; the beneficiaries in her will received a few hundreds rather than a few thousands; and Hambro Life reckons it has acquired a reputation for unduly hard selling which it does not deserve. That's the actuarial business.

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The American stock market can often produce good investment returns for UK investors but until now most US unit trusts have invested purely for growth. This strategy can produce high returns but is not necessarily the best for all stages of the US stock market cycle. Now Fidelity is launching Fidelity American Equity Income Trust, an authorised unit trust which follows an income driven investment policy. This policy can produce a superior total return for investors and we consider it particularly appropriate for the current stage of the US stock market.

Income Driven Investment

Income driven investment is based on the principle of selecting "recovery" type securities and on buying out-of-favour shares when they have a low stock market rating and hence a high dividend yield. Such stocks are often not well researched in the US, as analysts tend to concentrate on the more glamorous "growth" stocks. Our analysis identifies companies where profits recovery is expected, leading to a stock market re-rating. A rigorous sell discipline is then applied—when prices rise and yields fall, the shares are sold and the profits reinvested in higher yielding shares.

Fidelity's Research-based Success

The secret of successful income driven investment lies in stock selection. This is where Fidelity's Boston office, which has pioneered this type of research in the US, will make a major contribution to the new Trust. Its team of 70 analysts and fund managers are ideally placed to search out the opportunities. Fidelity's success in Boston is demonstrated by Fidelity Equity Income Fund (a US mutual fund) which has shown a total return (growth plus reinvested income) of 950% since its launch in 1966 compared with 271% for the S & P 500 Share Index (on the same basis) as at 1st May 1984.

The Timing is Right

Fidelity believe that the current state of the US market favours income investment. Interest rates are high but in our opinion are likely to fall over the medium term to the

benefit of high yielding shares. In fact, income investments could be very rewarding, worldwide, over the next twelve months.

Additionally the Budget announcement of a reduction in UK Corporation Tax rates over the next three years now makes it more tax efficient for authorised unit trusts to invest overseas for income.

Fidelity's Recommendation

Income investors should, in our view, take advantage of lower tax rates to diversify their income portfolios internationally. Additionally, we believe, growth investors should have a proportion of their American portfolio in an income driven fund to reduce risk and to benefit from the proven success of this investment policy.

Aim of the Trust

The Trust aims for an above-average and increasing income from a portfolio of high-yielding, primarily American, securities. The estimated gross starting yield is 5.5% and income will be paid quarterly.

Initial Offer - up to 2% Bonus

During the launch period to 1st June 1984 units are available at the fixed offer price of 25p. All investors before that date will receive a free 1% bonus allocation of units and 2% for investments of £5,000 or more, the cost of which will be borne by the Managers.

How to invest

Please complete the coupon and return it to us with your cheque. Our investment experts will be available this Saturday and Sunday from 10am to 4pm to answer any queries. Just dial 100 and ask for Freefone Fidelity.

Remember, the price of units and the income from them can go down as well as up.

INVEST NOW Ring Freefone Fidelity

Fidelity American Equity Income Trust

GENERAL INFORMATION

A contract note for your application together with a brochure will be sent immediately. Unit contracts will be sent within 42 days. The estimated gross yield is 5.5% at the initial offer price of 25p for Fidelity American Equity Income Trust. The distribution date is 28th February; 31st May; 31st August; 30th November. Units will be quoted ex-dividend on 16th January; 14th May; 1st November. An initial charge of 5.25% (equivalent to 7% of the value of the fund) will be deducted from the price of units at the time of the price raising when we receive your signed certificate. You will receive a cheque within 7 working days of our receiving your signed certificate. Prices will be quoted daily in the Financial Times and the London Stock Exchange. The Trust is a wider-range trustee authorised by the Department of Trade and Industry. Member of the Unit Trust Association. Offer not open to residents of the Republic of Ireland.

To: Fidelity International Management Limited

Dealing and Administration Office
River Walk, Tonbridge, Kent TN10 1DY
Telephone: Tonbridge (0732) 362222

I wish to invest £ in Fidelity American Equity Income Trust units at the initial offer price of 25p. I am enclosing my cheque payable to Fidelity International Management Limited. Fixed price offer closes 1st June 1984 or earlier at the Managers' discretion and thereafter units may be bought at the offer price rising on receipt of your cheque. Minimum initial investment is £300. Tick box for reinvestment of income

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TAXATION

After the honeymoon...

JOHN UNDERHILL looks at the eternal triangle... wife, husband and taxman

SPRING IS the time when a young man's fancy turns to thoughts of love. It is also the time when the Inland Revenue sends out its tax forms.

When two partners marry they also, less romantically, find that their new status requires a period of financial as well as personal adjustment.

Let us look first at the position before marriage. It is likely that both partners will be working, so that each will be receiving the usual single personal allowance—£2,005—for 1984-85.

If they decide to share a house, building societies encourage joint accounts in which each must declare on the income tax return his or her share of the interest credited.

It is necessary to sell investments to raise funds to assist with the purchase of the engagement ring, the capital gains tax exemption of £5,000 (for 1984-85) per annum will help.

The date of marriage is less important in tax planning these days than it was. The wife is treated as a single person for the year in which the marriage takes place, but she does not receive her earned income allowance in addition to her personal allowance.

In that year, her husband receives a married person's personal allowance at the higher rate of £3,155 (for 1984-85) but this is reduced by 2% for each month before the marriage. (It is one twelfth of the difference between the higher and the single personal allowance.)

Investment income of the wife is assessed on the husband and for tax purposes becomes his income only from the April 6 following the date of marriage.

If the joint earnings of the newly married couple are enough it may be advantageous to elect for the wife's earnings to be assessed separately. This gives the benefit of two sets of higher rates of income tax but withdraws the higher personal allowance.

For 1984-85 the level of earnings above which such an election is beneficial is £23,793 but this must include the wife's earnings of at least £6,388. The election must be made, and not

revoked, within one year of the tax year concerned and once made will remain in force until withdrawn.

A point to watch is calculating the benefit of a wife's earnings election is that any deductions which are the wife's own liabilities, such as charitable covenants, must be set first against her income.

If her tax rate is lower than the husband's such deductions will have less tax and need to be included in the calculation set out in the accompanying table above to decide whether an election would be worthwhile.

A wife's earnings election should not be confused with an election for separate assessment of husband and wife. The wife saves no tax at all but includes all income and calculates how much of the total tax chargeable is referable to each party.

If each has agreed to be responsible for his or her own tax it is a useful and impartial way of allocating the total liability but is more usually found when there is substantial investment income.

Probably well before the actual wedding ceremony the couple will be thinking about house purchase. The Chancellor has eased the burden of stamp duty in the 1984 Budget by reducing the rate to 1 per cent (from 2 per cent) and raising the threshold from £25,000 to £30,000 below which no duty is paid, so that, for example, duty on a house bought for £40,000 is now £400 whereas it was previously £800.

It is sensible for the property to be held in joint names and for any mortgage to be similarly shared. Mortgage interest is now paid under MIRAS, effectively net of 30 per cent income tax relief, but relief from higher rates of income tax is still available through coding

notices or assessments.

If both parties have each previously owned a house, so that after the wedding only one house is occupied, relief for the mortgage interest on the other house continues only for the next 12 months.

Similarly, no assessment to capital gains tax on the sale of the house will be made if it is sold within 12 months, even though the house is no longer the "principal private residence" of the owner.

Advice on the most tax-efficient methods of saving for newly married couples has had to be modified following the withdrawal of income tax relief for life insurance.

There are still substantial long-term benefits from with-profits endowment policies, as any profit made (in the form of annual or terminal bonuses) is free of income tax and capital gains tax.

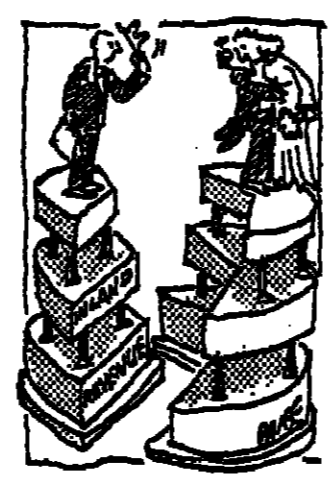
But for short-term savings in a period of modest inflation a building society or bank deposit account ensures ready availability of the money and a reasonable rate of return.

When banks have to deduct income tax from interest credited to deposit accounts after April 6, 1985 they will then be directly competing for these savings.

National Savings Certificates should not be overlooked. The current 27th issue gives a competitive return over a five-year period and the interest is tax-free. It is, however, necessary to hold the certificates for the full five years to get the high return; much lower interest is paid if they are cashed early.

The arrival of children may also create new requirements for tax and financial planning.

When a baby is born there is now no entitlement to any child tax allowance; instead child benefit may be claimed by the mother. This amounts to £6.50 per



week, is usually paid four-weekly in arrears and is tax-free.

The income tax treatment of children's income was a political issue in the 1970s but is presently settled. A child's income is regarded as separate from that of its parents and the child is entitled to a personal allowance in the usual way.

Gifts of money to a child from anyone except a parent should therefore be invested in such a way as to enable income tax to be recovered on the income. This cannot be done with building society interest and, from April 6 1985, bank interest.

Gifts of money from the parents to the child are treated differently. Such gifts are technically regarded as settlements and the income from them remains the income of the parents.

There is an exemption for income of less than £5 per annum but a better solution is for such gifts to be invested in National Savings Certificates.

Finally, the newly-married couple are well advised to make or to revise their wills. Although they may feel that they do not possess sufficient assets to make planning for Capital Transfer Tax worthwhile, they will soon find that their estates are growing in value, particularly so if they have life assurance cover perhaps as a mortgage protection policy.

If they wish to leave all their property to each other, no capital transfer tax arises provided both are domiciled in the UK. If there are children it would be worthwhile considering leaving up to £64,000 directly to the children since this is the threshold below which no capital transfer tax is payable.

In all cases, if the financial circumstances of the individuals concerned are in any way complicated, it is worth while taking competent professional advice.

The writer is a partner in Ernst and Whinney, London chartered accountants.

	Joint	Jack	Separate	Jill
Earnings	27,000	19,500		7,200
Personal Allowance	5,160	2,005		2,005
	31,840	17,795		5,195
Income Tax 1984-85	£7,478	£5,578	+	£1,558
Saving = £343			=	£7,136

* This is the higher personal allowance of £3,155 and the wife's earned income allowance of £2,005.

Good and bad news for big spenders

PHILIP STEPHENS assesses the implications of the changes in interest rates

MORE THAN A YEAR of falling interest rates have cushioned the big spender with a perpetual overdraft and made that personal loan for a new car a little bit more bearable.

So this week's announcement by the high street banks that they are lifting their base lending rates 1/2% of a point to between 9 and 9 1/2 per cent came as a jolt to all but the most thrifty.

But first the good news. Building society mortgage rates are not going up—yet anyway. Building Society Association director-general Mr Richard Weir was quick to assure homeowners that member societies are at present flush with cash.

Figures due out on Monday are expected to show that new loans typically at between 18 1/2 and 19 per cent on the annual percentage rate, or apr, basis. Similarly they have so far left

to meet booming mortgage demand.

The societies privately concede that any further rise in the banks' charges, which themselves have been pushed up by soaring interest rates in the U.S., will cause them to think again. For the moment, however, they are sitting tight with the 10 1/2 per cent rate set from April 1.

Unfortunately the bad news is more comprehensive. The cost of overdrafts has already gone up. In future Barclays will charge you between 3 and 5 per cent above their new base lending rate of 9 1/2 per cent, depending on how credit-worthy they think you are.

Midland make the same charge, while Lloyds and National Westminster offer a slightly better deal since their base rates are set 1/2 point lower at 9 per cent.

None of the banks have yet adjusted charges for personal loans typically at between 18 1/2 and 19 per cent on the annual percentage rate, or apr, basis. Similarly they have so far left

their home loan charges at between 11.3 and 11.7 per cent. But if the cost of the funds which the banks themselves borrow continue to rise in the money markets, upward shifts can be expected in some or all of these rates.

For the affluent borrower the best deal remains without doubt the various "gold" credit cards offered by the banks. Lloyds for instance will give an American Express card guaranteeing at least a £2,500 overdraft (nowadays covily referred to as credit lines) to any solid citizen with an income over £25,000 a year. The cost went up last week, but at 2.5 percentage points over base rate the maximum, still offers the personal borrower a better deal than many medium-sized companies.

The key question though is perhaps whether the next move in interest rates is up or down. The pessimists in the City this week were saying that rising U.S. lending charges and the soaring dollar will soon force another rise, with booming credit expansion and some signs

of an upturn in inflation adding to the pressure.

Their unease was reflected in the money markets, where rates are still pointing upwards and in the foreign exchanges where sterling sank to an all-time low.

Against that the Government and the Bank of England seem set on resisting any further rise in the banks' charges, arguing that stable money supply growth and lower public borrowing should soon reverse the upward trend.

Mr Nigel Lawson, the Chancellor, is also acutely aware that a rise in mortgage rates might jeopardise his 4 1/2 per cent inflation target for the end of the year.

Which side will prevail is not yet clear but the answer probably lies on developments on the other side of the Atlantic, rather than here.

In the meantime those of us forgetful enough to leave money in our deposit accounts will be getting between 5 1/2 and 6 per cent from now on. Better ways to invest the money appear in these pages every week.

Ill wind in the Channel

EUROPEAN FERRIES is sailing against the tide in attempting to restrict the half-fare concession enjoyed by its shareholders who use its Townsend Thoresen cross-Channel ferries.

The number of companies offering perks to their shareholders has doubled in the past three years. So widespread has the practice become you can even buy guides to the best perks on offer.

European Ferries' problem has been that its cut-price fares offer has been too successful. It has attracted 20,000 new shareholders a year for the past three years and now has over 160,000—more than many companies with a much higher market capitalisation.

You would have paid just £172.50, plus stamp duty and broker's commission for 300 European Ferry shares at the start of 1983 and earned £11.40 in dividends, apart from the capital appreciation in the value of the shares.

You could have also taken an unlimited number of cross-Channel sailings, saving no less than £94 for a family of four plus car on a peak holiday weekend. The least you would have saved on a wet Monday in February would have been about £45.

The perk introduced in 1959 for its shareholder passengers, is that everyone wants to travel on three or four peak weeks.

The perk introduced in 1959 to fill empty berths is now crowding full-fare paying passengers off the boats and making it increasingly difficult for the company to meet its pledge to shareholders.

European Ferries chairman Mr Ken Siddle wants to split his company's shares into ordinary voting shares, which do not carry the cheap fare concession and 5 per cent preference shares which retain the concession.

In addition, from January 1983 you will have to double your holding to 600 shares if you want to keep the full concession. If you own between 300 and 599 shares you will only qualify for half the concession or a quarter off the fare.

Perks from Shares* a recently published guide to the subject lists European Ferries among its three-star providers of concessions.

Other leading perk-givers are The Gieves Group, which offers 20 per cent off purchases of menswear from branches of Gieves and Hawkes to holders of 600 or more of its shares.

The holders of just one Lonrho share can get a 15 per cent discount on purchases from branches of Brentford, from household textile chain, as well as cheaper room rates at Metro-pole and Princess Hotels.

P & O offers up to 50 per cent fare reductions on some of its ferry routes in return for a minimum holding of 200 units of deferred stock or 500 units of preferred stock.

Sketchley, the dry-cleaning group, gives 25 per cent off its charges if you hold 300 shares or more.

Perks range from the glamorous—15 per cent off cruises on the QE2 from Trafalgar House—to the more down to earth—15 per cent off double glazing or a Dolphin shower from Alpine Holidays.

Rivley Leisure will give you discounts on its sneaker cure and taffy while Ruth-Fit Holidays offers cut-price tyres and exhausts.

It is unlikely that many companies will follow European Ferries' lead. Even Mr Siddle may have a bit of qualms through the changes he wants. The proposals require a 75 per cent vote in favour at meetings to be held on June 29.

Five per cent of the shares are held by those who are mainly there for the fare. * By Alan Ramsey, *Kenneth Beane*, £7.95 hard cover, £2.95 paperback.

No changes for pensions—yet

THE FT's news desk was harassed on Thursday by a spate of anxious telephone calls from readers wanting to know whether the Government was clamping down on personal pension policies.

Rumours had swept the life insurance industry that the Chancellor of the Exchequer, Nigel Lawson, was about to mete out some of the same treatment to pension plans as he had to life assurance policies in his March Budget, when he abolished the 15 per cent premium relief.

Was the speculation based on fact, or was it simply being whipped up, if not actually started, by less-than-scrupulous life assurance salesmen anxious to hustle their clients into signing the dotted line?

No one can say for sure, but suspicions will remain given that the scare talk was summarily dismissed on Thursday afternoon by Peter Rees, Chief Secretary to the Treasury. He told the Commons that there was no question of amendments to the Finance Bill now going through Parliament in a way that would affect existing pension schemes.

The recent wave of panic buying of pension plans has mirrored, though not matched in scale, the remarkable surge of buying of life policies in February and early March ahead of the leaked Budget proposal.

Just as life assurance offices were open late into the evening on Budget night to cope with a rush of heat-the-deadline business, so some were prepared to stay open until midnight yesterday—the unimpaired day for the tax man's clampdown on pension policies.

Even leaving aside the frenzy of the past few days personal pensions business has been brisk in recent weeks. After the Budget, salesmen were faced with a lull in the demand for normal life policies and many have turned their attention more towards the pensions market.

The tax advantages of personal pension plans remain

very great, though at present they can only be sold to self-employed people and those in employment who are not enrolled in occupational schemes.

A major attraction is the facility to commute part of the pension rights into cash on retirement without paying tax. This has made it possible to resign highly tax-efficient schemes such as the pension mortgages. These are now being sold energetically by the life assurance industry.

Warnings have been issued that the industry is asking for trouble when it promotes tax avoidance in this way. Robert McCrindle, the Tory MP who is parliamentary adviser to the British Insurance Brokers' Association, told the BIBA conference recently that the Chancellor could be spurred into action.

However, in an aggressive and competitive industry such warnings are likely to be counterproductive. And although the tax status of personal pension plans was spared this week, it is clearly on the cards that action will be taken in future—in the 1985 Budget.

The right to cash commutation is probably the most vulnerable pension benefit, though it would not be easy for Mr Lawson to attack it. Employed people are entitled to it, and it is a time-honoured feature of the civil service's pension arrangements.

Even in the wake of this week's false alarm, insurance salesmen and intermediaries will be able to argue that clients should not delay unreasonably in making up their minds about personal pension plans.

However, those clients who were rushed into an over-hasty decision within the past few days may now have to repent at leisure. For all its tax advantages, a pension plan is extremely inflexible as a method of saving.

In particular, there is no cooling-off period after signing as there is with life assurance policies. The Inland Revenue's rules are strict, and those who have taken out personal pension policies are unlikely to see their money again until they reach retirement age.

Barry Riley



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MEETING THE NEEDS OF THE ENERGY INDUSTRY—THE ROLE OF THE NORWEGIAN BANKS
Mr Egil Gade Greve
Bergen Bank

THE FUTURE OF THE INDEPENDENT OIL COMPANIES
Mr J G Cluff
Cluff Oil plc

THE TAX ISSUES
Mr Hans Henrik Ramm
Ministry of Finance, Norway
Mr John F Chown
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HOW A MAJOR CONTRACTOR SEES THE EUROPEAN OFFSHORE
Mr J R S Morris
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Charles Batchelor

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سكنا من المال

YOUR SAVINGS AND INVESTMENTS-3

After the Budget... Clive Wolman looks at new areas of overseas investment Putting your trust in the American way

UNTIL THIS year's Budget, life has been difficult for those who want to invest part of their money overseas not for speculative reasons but to obtain a secure income.

The simplest way for the little man to invest overseas has always been via a unit trust (or investment trust). Since exchange controls were abolished in 1979, the number of unit trusts specialising in overseas investment has mushroomed.

However nearly all the overseas unit trusts to be launched have concentrated on investing in the more glamorous high-growth stocks offering low dividend yields. This has reinforced the reputation of overseas unit trusts for riskiness and high volatility.

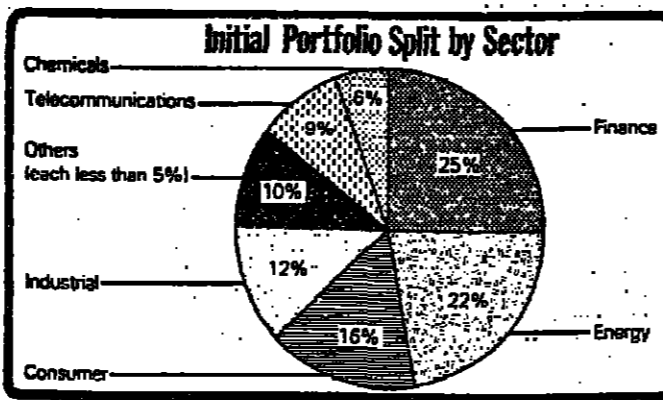
The reasons for this bias relate to the double taxation of dividend income from overseas which is paid to a UK unit trust. The country of origin normally imposes a withholding tax on the dividends paid out by their companies. The remaining income received by the unit trust is then subject to corpora-

tion tax at a rate of 52 per cent. Finally a higher-rate taxpayer has to pay tax on the income he receives from the unit trust at his top marginal rate minus 30 per cent.

Chancellor Nigel Lawson's budgetary tax reforms however mean that the rate of corporation tax has been reduced to 45 per cent this year and will be cut further to 35 per cent by 1986. This makes overseas income unit trusts more attractive. It also virtually removes the handicap suffered by UK-based unit trusts in comparison with those based offshore.

This week Fidelity International, the London arm of a global investment management group originating in the U.S., launched an American Equity Income Fund, the first overseas equity unit trust which is aiming for a high yield, of around 5.5 per cent. Dividends will be paid out quarterly.

Fidelity's fund managers, who have the backing of a large research team in Boston, believe that U.S. high-yielding and out-of-favour stocks which are sensitive to the ups and downs



of the economy have been generally under-researched by Wall Street investment houses. Most prefer to focus their efforts on the higher technology stocks which it is easier to persuade their clients to buy or sell.

Fidelity believes that this allows them to pick undervalued stocks fairly consistently. When the stock market catches up with Fidelity and these shares are re-rated so that

their price rises and their yield falls, the fund managers will sell them as a matter of course. "A rigorous sell discipline is applied," marketing director Barry Bateman says.

The fund will follow the general investment strategy of Fidelity's American Income Trust based in Jersey. In the two years since it was launched it has achieved higher returns than the U.S. average as measured by the S and P 500

Index of the U.S. stock market. The spread of shares between different industrial sectors is shown in the chart.

But perhaps the main reason for this out-performance has been the substantial re-rating of many "recovery" stocks in the U.S., particularly during the second half of last year when the high-tech stocks plummeted back to earth.

So it may be that investors who put their money in now will discover that they have missed the boat.

Fidelity itself is doubtful about the short-term prospects for the U.S. stock market, although it is more optimistic from 1985 onwards.

But one advantage of investing with Fidelity is that, if you change your mind about the U.S. stock market, you can switch into a different Fidelity unit trust for a low charge of only 1 per cent.

For the first year, until June 1985, the annual management charge on the American Equity fund will be only about half the norm at 0.5 per cent.

Extra cover for U.S. car hire

MUCH THOUGHT was provoked by the tragic story of the British Airways pilot whose rental car was forced off the road by an uninsured driver in Florida.

His family were drowned and the costs that ensued horrendous. Most car rental insurers do not cover foreign residents for this sort of problem.

Since the story broke a couple of months ago there has been a flurry of tour operator announcements providing the necessary extra cover to their clients—at a price.

Fairly typically, for example, the Speedbird Holidays insurance provides \$1m extra protection in many circumstances for £35 for up to four drivers on an average holiday. The fee would be £45 for \$2m cover.

Such insurances, now provided by many of the major operators, have not been available to the general public simply going to the U.S. and perhaps thinking of renting a car while there.

Now the Association of British

Travel Agents has come up with its own scheme via its Extrasure scheme, called Toppers. It is available to anyone going to the U.S., even if you are just thinking of renting.

It is a scheme which provides a wide range of alternatives. Basically all named drivers must be over 21 (and over 25 to benefit for the best rates).

The premiums then depend on the length of stay and the amount of cover. There is a personal accident option too.

Typically a policy for a two-week stay for four people, all over 25, who wanted \$2m cover plus \$200,000 personal accident cover shared (in other words £50,000 each if everyone dies), would cost £38.

Underinsurance is a major problem in the U.S. The basic third party insurance carried by many drivers is woeful compared with British legal minimums.

Anyone planning U.S. car rental would be well advised to take out such a policy.

Arthur Sandles

Balancing the risks

"IT'S A very clever concept. I wish I'd thought of it myself," says one investment trust analyst of Save & Prosper's new Return of Assets trust.

Something new in the investment trust sector is rare enough. But instead of being treated with caution the offer for sale on May 4 was oversubscribed.

Most surprising was the high level of demand for the warrants, which were sold rather than being "given away" as part of a package.

In first dealings yesterday both the ordinary shares and the warrants held to their offer prices, in spite of the fall in the market in the intervening week.

SPRAIT is an investment trust with a higher level of risk and volatility. A small amount

of money can take you a long way into profit—or loss. This "gearing" is achieved by "borrowing" from one class of shareholder, the preferred, to give the holders of the ordinary shares a greater play on the market.

The trust's capital structure is split 50:50 between the two types of shares. But the preferred holders pay a 20 per cent premium to buy their shares, i.e. 120p against a net asset value of 100p, while the ordinary holders get in at a 30 per cent discount, i.e. 70p (ignoring the expenses of the issue). There are 15m shares of each class, and the sale of 3m warrants at 50p each makes up the difference between the premium and the discount.

The preferred shareholders

are promised a high and rising stream of income as far as 1995. By then the initial 6.3p net dividend will have risen to 13.3p net, and it will then be fixed until the trust is wound up, probably in 2010.

But the attractions of preferred shares do not stop there. On the winding-up the holders are entitled to 10 per cent of the outstanding assets, as well as a payback of 100p.

The ordinary shares work the other way round, doing less well in income terms in the early years, but better later on. Once the preferred dividend stops rising, any increase in revenue from the portfolio goes to the ordinary shares.

They also take 90 per cent of the outstanding assets when the trust is wound up, after the payment of 100p to both classes. And in the meantime the ordinary shares get the benefit of any capital gain made by the portfolio.

This is where the borrowed money can help. The ordinary shareholders, effectively putting in £15m of the £30m of assets, get the full benefit of the gain of the £30m.

Table A shows how this works when the market is rising, and Table B demonstrates that the trust can be a "lightening vehicle" in bear markets, as Barry Olliffe of Laine and Cruickshank, stockbrokers, to the issue, puts it.

Laine and Cruickshank has calculated the effect on the two classes of shares if the rate of growth of income and assets were 7.5 per cent each year until 2010, and all the warrants were converted.

In that final year, the preferred shares would receive a 13.3p net dividend, giving a gross yield on the initial 120p investment of 15.8 per cent. And, on the winding up, preferred shareholders would receive a payment of 200p per share.

Higher rate taxpayers however will pay a hefty chunk of their returns to the Inland Revenue and may find the ordinary shares more suitable. The ordinary shareholders would by 2010 be getting a dividend of 35.5p net, with a 30 per cent premium after 1985, giving a gross yield of 72.4 per cent on the 70p investment made now. They could expect a payback of 899p per share.

It looks as if the ordinary shareholders are getting by far the better side of the deal. But they are taking all the risk. If the rate of growth is very much less than 7.5 per cent, then the preferred shareholders will get their dividends, though some capital gain at the end would be nice too. And some analysts reckon the preferred were placed at too low a price.

So investors must decide whether that assumption of 7.5 per cent growth is too low or too high. If too low, then the ordinary shares will do even better. If too high, they will be a poor investment.

Maggie Urry

IF THE PORTFOLIO RISES BY 20 PER CENT			
Total assets	£30m	risks to	£36m
Minus preferred shares	£15m		£15m
Ordinary shares value	£15m		£21m +40%
IF THE PORTFOLIO FALLS BY 20 PER CENT			
Total assets	£30m	falls to	£24m
Minus preferred shares	£15m		£15m
Ordinary shares value	£15m		£9m -40%



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The activities of the companies invested in are: design and manufacture of housings for micro-electronic circuits; design and manufacture of precision electro-optics; a publishing, consulting and information service for the energy industry; importation of plywoods and sheet timber; manufacture and installation of UPVC replacement windows; operation of retail petrol filling sites; and sole UK distribution of recoverable shot blasting machinery.

Following this success, and in view of the investment opportunities that exist, Singer & Friedlander now offer participation in a second such Fund to income tax payers who recognise that such investments carry high risks as well as the prospects of exceptional rewards.

Through the Singer & Friedlander Business Expansion Fund 1984/85, investors are again offered the opportunity to achieve a potential high after-tax return from a spread of investments in qualifying unquoted companies with exciting prospects.

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You can again benefit from Singer & Friedlander's long experience with emerging companies and ability to locate investment

opportunities through its national network of offices in Leeds, Birmingham, Nottingham, Glasgow and Bristol, over 200 propositions were received by the 1983/84 Fund.

Investors may subscribe a minimum of £2,000 up to a maximum of £40,000 and can obtain tax relief on the qualifying investments made by the Fund. There is no predetermined maximum size of the Fund, and Singer & Friedlander reserve the right to close the Fund before the announced date if the aggregate amount of subscriptions reaches what it considers to be optimum level.

All applications from new investors will be accepted in strict order of receipt, and you are advised to act without delay. The initial and only management charge to investors for the 1984/85 Fund is 4%.

The Fund is approved by the Inland Revenue under the terms of the Finance Act 1983.

You are invited to write for a copy of the Memorandum describing the Fund by returning the coupon. Before deciding to proceed with a subscription, however, you are advised to seek advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser.

This advertisement does not constitute an invitation to subscribe to the Fund. Subscription may only be made on the basis of the Memorandum describing the Fund.

CLOSING DATE FOR APPLICATIONS
25th MAY 1984
RING 01-623-3000



THE SINGER & FRIEDLANDER BUSINESS EXPANSION FUND 1984/85

To: Singer & Friedlander Limited, 21 New Street, Bishopsgate, London EC2M 4HR.
Please send me a copy of the Memorandum describing the Fund and an application form.

Name _____

Address _____

FT12/5

THE EUROPEAN BANKING TRADED CURRENCY FUND LIMITED

Directors' Interim Statement

The European Banking Traded Currency Fund Limited (the "Fund") was launched on 7th December, 1983 with the subscription period closing on 16th January, 1984. Since then the Fund has grown to US\$10.1m in net assets. Subscriptions maintain a steady growth and it appears that the trading element offered by the Fund has met with a

good response from the investing community. The interim period under review served to establish and streamline the systems operating the Fund, including the trading element. The results have been encouraging so far and efforts will be made to maintain the current performance record.

Annualised Performance for period 16th January to 31st March 1984 (Unaudited)

Annualised Return measured in US Dollars to 31st March 1984 has been as follows:	Dimension 1 = Interest Accrual	+ 8.19% p.a.
	Dimension 2 = Currency Shift of Underlying Investments	+ 1.75% p.a.
	Dimension 3 = Currency Trading Results on Total Assets	+ 1.57% p.a.
	Less Ongoing Expenses	- 1.34% p.a.
	Annualised Return as per 31st March 1984	+20.17% p.a.

Currency Trading Results when calculated exclusively on percentage of total assets available for trading = +8.88%

EBC TRUST COMPANY (JERSEY) LIMITED

To: J. W. Hudleston, EBC Trust Company (Jersey) Limited, EBC House, 1-3 Seale Street, St. Helier, Jersey, Channel Islands.
Please send me a copy of the Prospectus of The European Banking Traded Currency Fund Limited (on the terms of which alone applications will be considered).

Name _____

Address _____

Telephone _____ Telex _____

Please telephone me to discuss the Fund.

This advertisement has been placed by European Banking Company Limited, an exempted dealer.

FT1

UK CONVERTIBLE STOCK 12/5/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates†	Flat yield	Red yield	Premium		Income			
							Current	Range‡	Equi	Conv‡	Div‡	Curren
British Land 12% Cr. 2002	9.60	388.50	333.3	80-82	3.0	-2.9	-8 to -3	46.7	56.9	2.3	+ 5.2	
Hanson Trust 9 1/2% Cr. 01-06	81.54	373.00	160.7	85-91	2.9	-4.4	-6 to 2	172.3	71.8	-28.8	-24.8	
Slough Estates 10% Cr. 87-90	5.03	285.00	234.4	78-85	3.6	-0.3	-14 to -0.1	13.5	9.6	-1.4	-1.0	
Slough Estates 8% Cr. 91-94	24.72	122.50	97.3	80-88	6.7	4.7	3.0	-6 to 3	21.8	26.1	3.6	+ 0.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. ¶ Income on £100 nominal of convertible stock converted from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ** Income on £100 of convertible. Income is assumed until conversion and present valued at 12 per cent per annum. †† This is income of the convertible less income of the underlying or underlying equity. ‡‡ An indicator of relative cheapness. - is an indicator of relative dearth. ‡‡‡ Second data is assumed date of conversion. This is not necessarily the last date of conversion.

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PROPERTY

Search for the ideal

BY JUNE FIELD

A COLLEAGUE just returned from abroad posed the questions: How do I start to find the right home? Should I go to one or several estate agents, or get someone to search for me? Will I be deluged with details?

As one who has been looking to move on for nearly a year, without success, I tendered my deepest sympathies for the long, hard road ahead.

Selling one's home is traumatic enough, searching for one is equally hazardous. But then I probably see too much, expect too much, and the right place is nearly always the one that is either the right price in the wrong location, or more or less what we wanted and the owner decides not to sell.

And, of course, it is not accepted from the start that the absolutely perfect home is a dream unlikely to be fulfilled. Conversely, most estate agents will tell you, probably quite rightly, that what most people buy (or settle for) is usually something quite different from what they originally planned.

Yet one has to begin somewhere, so that first list should pin-point where you want (or need) to live, the sort of property required (something old or new, or vaguely in-between) a flat, a house or a cottage. All factors as important as the price bracket. Add proximity required to transport, schools, shops, a library and so on, plus such essentials as a doctor, dentist and a hospital, and the priorities are beginning to be established.

A useful starting point is to assemble a sort of c.v. of requirements, to be sent or taken to various estate agents in the area of your choice, a necessary procedure as so many are still wedded to sole agencies, rather than multi-listing which gives the widest spread. Keeping in constant contact with agents is imperative because since postage costs escalated regular mailings of property particulars have been considerably curtailed. So do not expect to be deluged with details.

For those who cannot spare the time to make the necessary

contacts and viewings, there are various new home-finding agencies who will do the job for you—at a fee, naturally.

The average charge appears to be about £100 plus for a set period, usually about a month, to cover initial search expenses (travel, telephone calls, clerical work and so on) plus 1 per cent of the purchase price if you buy. Much depends on the range of the search area.

Facing South is a service run by two ex-Royal Navy wives, Sheila Leggat and Betty Cripps, who concentrate on homes in southwest London. Details from Mrs Leggat, 5 Fleur Gates, Princes Way, Wimbledon, SW19 (01-789 9549), who tells me she has moved 23 times in 30 years! Clients are in the £45,000 and over range, particularly those in the diplomatic service looking for a pied-a-terre in London. Estate agents welcome us because we obviously have a genuine buyer.

Find-a-Home covers country districts as well as London. Run by sisters-in-law Miranda and Sarah Belville, they visit suitable properties and compile a shortlist with photographs. For this they charge £200 for up to six weeks' work, which is refundable if a property is bought, when 1 per cent commission is payable on completion of the sale. Contact them at 2 Sparkes Cottages, Graham Terrace, London, S.W.1 (01-730 3176 and 01-352 5434). Their brochure has been mainly mailed to embassies and overseas banks; current clients include a woman lawyer from France looking for a London apartment and a family from Norway wanting to live in the country. Property Vision, just started by William Gething, ex-Latin

American marketing manager for White Horse Scotch Whisky, and Charles Ellingworth, formerly of Jardines Matheson, Hong Kong, cover property from £150,000 upwards in Hampshire, Berkshire and Wiltshire.

For this they ask £300 up-front, which includes a fairly basic video which points up the interior fittings, and a full-scale report from a personal viewing. They start off by visiting a client in their own home to observe their life-style, and so assess as far as possible what is required. Evening or weekend calls are standard.

"The whole point is that you are the client, the prospective purchaser, whereas to the estate agent you are only the applicant," insists Gething, who claims to be in touch with over 150 agents in their area. He says that to find a place that you really like in, say, Newbury, you would need to be in the books of at least 15 agents and ring them up every week. "How many busy people have the time to do this?"

For a brochure detailing the service, contact Mr Gething, Property Vision, Lamb House, Church Street, London, W.4 (01-494 3782).

It is useful to be able to decode estate agents' jargon when house-hunting: Key to property particulars: Country retreat—could be a burglar's joy, check the alarm system.

Distinctive—beware the added "character" touches that make it difficult to sell.

Fashionable thoroughfare—busy main road.

Listed period house—gives social kudos, but you have to ask permission every time you want to alter anything.

Offers invited—the vendor wants more than the agents' valuation.

Secluded—impossible to find.

Select development—the vicar lives on the estate.

Unspoilt surroundings—isolated.

While on the country cottage scene, watch out for "some modernisation required" which could mean anything from no loo to the roof falling in; and "scope for further potential" probably disguises the fact that the vendor ran out of money in the middle of vital works. As for "idyllic spot," remember the midges if it is near water.

Meanwhile, it is as well to remember that a living room usually hides under the dated designation of a reception room, drawing room or lounge, and a lower ground floor is most likely to be a basement, as is a garden flat.

Check the measurements of rooms carefully. Until recently a spare bedroom was designed to take a two foot, six inches wide bed. Now most beds are at least three foot wide. The problem is generally disposed of by referring to the room as a study.

Above all, bear in mind that it is caveat emptor. All agents' details have some sort of small print notice at the bottom that says that "all statements contained in these particulars as to this property are made without responsibility on the part of the agent or vendor. Any intending purchaser must satisfy himself by inspection or otherwise as to the correctness of each of the statements contained in these particulars."

One Surrey agent specifies quite bluntly that "statements contained herein are not to be relied on as statements or representations of fact..."

Old houses have charms but...

BY JOHN CHERRINGTON,

THOSE WHO decried modern building methods and hanker after the picturesque old houses in our villages have never had to live in them. On the other hand I have spent most of my adult life in farm houses varying from two to four hundred years old. And I can appreciate the advantages of houses properly built subject to modern regulations, patting myself though I found some of them to be.

My first house was dated 1358 and was stone built. The walls were up to 6 ft thick, ideal for inglenooks, but I decided that they were only as thick as that because the builders had defence in mind or could not be sure of them standing up if built any narrower. The walls were astonishingly damp; there was of course no damp course, so the wallpaper had been fixed to a battened wall.

There used to be mice behind the screen and the dogs used to spend the evenings following their movements. No doubt subsequent owners have improved things with central heating and other means but any fundamental alterations in these old houses are frustrated by the colossal task of tailoring 6 ft walls into other shapes.

For 40 years now I have lived in flint and brick houses. The flints were picked off the fields and the bricks made in local pits which still exist on the farm. It's an attractive form of building but its origin was very practical. Flints are of all shapes and they had to be bonded together with bricks just to hold them. Mortar was not very strong in those days.

They had no damp courses and as far as I can see no foundations either being built on the bare soil. I did attempt to insert slates into the walls in order to stop the damp but it failed completely.

In the end damp was conquered by snowmowing the outside and so destroying the natural colour of the bricks and flints and then putting in central heating. It took at least 10 years for the damp to disappear. In the meantime it had rotted the ends of the floor joists and they became spruce every time our Corgi walked across the room the furniture shook. We put splints in the joists and so far they have held firm.

But the general drying out caused other problems. Some of the interior walls are lath and plaster. The wall supporting the staircase is one of these. It had been placed over the cellar on a 3 in oak beam which had to carry not only the ground floor joists but the first floor as well. One end of the beam had sunk during the years but had been propped by a brick wall in the cellar. This stopped a total collapse but left the stairs with a list to port and a sense of imminent doom. I examined the structure and decided that it might not see me out and would have to be renewed.



A new staircase was made and the old one pulled out. It revealed a horrid mess of rotten beams and struts and the fact that the wall to which the stairs had clung had been thrown together by some 15th century jerry-builder with any timber which could be found. Offcuts of oak and fir and remnants of cart shafts. The oak was still sound but some of the other timber literally blew away. The landing was resting, we found, very precariously on the cross beams and the tilt of the stairs had been overcome by just sticking a wedge under the contraption. The whole had then been covered with thick plaster.

Some builder in the past had filled the cavity in the lath and plaster wall with earth and other rubbish presumably to give it a solid feeling if it was sounded.

In the end we fixed the stairs and the landing to a secure basis and covered up all the rest. The alternative would have been to build a new house to match the new staircase which is actually holding the whole place up.

Knights Frank & Rutley advertisement for Stirlingshire property, including details of the property and contact information.

Advertisement for 2 THE GROVE, HIGHGATE, mentioning cancellation of auction and contact details for Knights Frank & Rutley.

Lane Fox & Partners advertisement for North Buckinghamshire property, including details of the property and contact information.

Advertisement for REAL ESTATE FOR SALE MONTE CARLO, featuring a luxury apartment and contact details for Faessler Treuhand AG.

Advertisement for COTSWOLD/BEAUFORT property, including details of the property and contact information for Strutt & Parker.

Advertisement for SWITZERLAND LAKE GENEVA property, including details of the property and contact information for Hilary Scott Ltd.

Advertisement for MALLORCA property, including details of the property and contact information for Bernand Thorpe & Partners.

Advertisement for GEORGE KNIGHT & PARTNERS, The Letting Agents, including contact details.

Large advertisement for SAVILLS real estate agency, featuring listings for Surrey, Berkshire, and Bedfordshire properties, along with contact information.

Advertisement for Pencombe Mews development in London, W11, including details of the development and contact information for Alex Neil, Chestertons, and Marsh & Parsons.

Advertisement for SWITZERLAND property, including details of the property and contact information for Alex Neil.

Advertisement for AMERICAN EXECUTIVES property, including details of the property and contact information for Phillips Kay & Lewis.

Advertisement for FURNISHED HOUSE IN RESTORED HOUSE, including details of the property and contact information for Marsh & Parsons.

Advertisement for MONTREUX NEW DEVELOPMENT, including details of the property and contact information for JB Immobilier SA.

Advertisement for RESIDENTIAL PROPERTY APPEARS EVERY WEDNESDAY AND SATURDAY.

Advertisement for Legal Notices, including details of a court case and contact information.

Advertisement for NOTICE IS HEREBY GIVEN, including details of a court case and contact information.

Advertisement for GLORIOUS GARDEN SQUARE, SWS, including details of the property and contact information for FARRAR STEAD & GYLN.

Advertisement for Educational services, including details of French courses and contact information for Institut de Francais - FTEI.

Advertisement for WANT TO SPEAK FRENCH?, including details of French courses and contact information for Institut de Francais - FTEI.

Handwritten text at the bottom of the page, possibly a signature or note.

TRAVEL

A good inn is a rare beast

BY ARTHUR SANDLES

WHEN IS an inn not an inn? Not, I suspect, when it boasts 500 rooms each of them pretty near identical. But the dictionary is not on the side of this nostalgic view of the word. Any public house offering lodging for travellers is free to use the word with the compilers' blessings, which gives a pretty wide gamut.

Traditionalists are thus thrown back on what they perceive the word to mean and, to me, that is clear enough. An inn is a property small enough for the owner or inn-keeper to know everyone staying there, and which room they are in. In good times he or she will greet the visitor. Each room will show the signs of love and care — as Doris, that would look wonderful in room 12," you can hear them say. The kitchen, of what-ever standard, consults first and hates rather than thrusting its own choice upon them.

A real inn brings you the paper you want and never, never leaves breakfast order forms on the door handle.

A good inn is a rare beast. Twenty years ago there were those who might have said that it was going to disappear completely. In even the hotel business big was considered beautiful and the facilities of a good inn, notably individual service, were thought of as too expensive to provide. What has happened instead is that individual attention has been shown to provide a reasonable living for those who provide it. With an increasing number of customers used to the very high standards now provided by the chains, so the pursuit of that little touch of excellence that turns a hotel, even a small hotel, into a fine inn worthy of the name and the image, has grown more popular.

To be honest I have only once stayed in a hotel (since changed hands) that met all my requirements of the perfect inn. It was in Devon, a country which attracts tempting country retreats like trout to a quiet pool.

Most fail in the kitchen. The food may be fantastic, but today's chefs, many of whom seem to have their eyes more on Michelin and Romy than on their guests, are unwilling to tamper with their delicacies to please peasants whose tastes do not coincide with the latest culinary vogue.

In two countries at least the search for inns, or hotels that come pretty close, is simplified. In France there are two basic publications, the Relais guide for those with elevated tastes and deep pockets is one and the Logis et Auberges de France centers for the rest of us. In Britain the Prestige Hotels directory serves the same purpose as the Relais guide (in fact there is some overlap with the Relais' international pages) and the BTA Commended booklet of country hotels, guest houses and restaurants. I would also add the Benson and Hedges Stay at an Inn guide, which has a much wider geographic coverage than either of the others.

As far as the BTA Commended scheme is concerned the annual listing is high on the table of what for the authority should be a protected species. Mr Duncan Black has recently been appointed chairman of the Authority in order to tighten up its operation. If one of the results of this was the axeing of the commended scheme he would have done tourism a major disservice. Not only does it publicise properties which are good at their jobs, it also encourages improvements by others.

To be fair to Mr Black, the BTA is not allowed to spend money in the UK so he needs a constant supply of sponsors to put the cash up-front. At the moment the National Westminster Bank fulfils this admirable function in a scheme which, one hopes, is to some extent self-liquidating.

The Commended scheme uses anonymous inspectors and is extremely conscientious in its work. For a while I sat on its inspection committee. In theory the committee's names are kept secret but one year we were exposed. Banner headlines in the trade paper told hoteliers that we were the people sitting in judgment on them. My cover blown I felt it better to retreat.

The Commended list concentrates on rural areas, including country towns like Bath and Colchester. The list has to range from little places like Trystlewell Farm at Garthmyl-in Powys which charges £12.50 a night half board and

where kids can roam a 300 acre working farm to the Lygon Arms in Broadway where some double rooms can cost £85 a night. If it is simply rural isolation with some style that you are seeking another good starting point is, of course, the Michelin Guide. For years I thought M. Michelin marked his hideaways with a tiny bird sitting on a bent twig. Closer inspection of this symbol indicates that it is in fact a person in a rocking chair, something which everyone else but me always knew. The Michelin Rocking chairs of Britain tend to mass in certain areas, notably the Lake District and anywhere west of Yeovil. There is an impressive concentration north of Edinburgh and another around Oban and Fort William in the west.

The Benson and Hedges Guide, however, finds its happiest hunting ground in the western wedge between the M1 and the M4, actually running to three recommended establishments in Burford (Oxfordshire), the Golden Pheasant, the Inn for All Seasons and the Lamb. Michelin adds the Bay Tree but prefers no rocking horses and the BTA Commended list sends its readers off to nearby Woodstock, Lew or Stow in the Wold.

There is no doubt that the creme de la creme of Britain's country hotels is contained in the Prestige Hotels listing. Prestige is a marketing organisation which describes itself as "an exclusive club of the finest, privately owned hotels in Britain... with a few select overseas members." There are one or two in London but most, like The Elms at Abberley, the

Chewton Glen at New Milton and Greywalls at Gullane, have very much a country air about them. For anyone who simply wants the best the Prestige list is hard to beat.

Meanwhile the Scottish Commended Hotel Scheme this week reversed the normal judgment and produced its commended hotel guest, voted upon by hoteliers. One assumes that he who stars regularly, is appreciative of hotel efforts and always orders the best but keeps a well-mannered subtlety about it makes for a good guest. But what of the bad? ... Oh you know, the sort of person who pinches the soap."

I blushed. My own soap collection grows constantly. I have a particularly fine line in Government Factory soaps from India, Cuba, China, and the USSR. One day I might even publish a guide to Commended Hotel Soaps.

The BTA Commended Guide is available from bookellers (£2.25) or by post from the BTA, 64 St James's Street, London SW1A 1NF (£2.50). The Benson and Hedges Guide costs £1 from bookellers. Prestige Hotels, 13/14 Golden Square, London W1R 3AG, will send a full colour brochure free to inquirers.

When Citroën launched the first motor car that spluttered into life toward the end of the last century were rear wheel driven for simplicity's sake. It was difficult to power the wheels that had to steer, too. Front-wheel drive cars were attempted by many makers (including A. L. (England) with varying degrees of success but the breakthrough came when Andre Citroën launched his revolutionary — and immortal — traction avant.

With front-wheel drive now close to standard practice on all but the largest cars, it is interesting to reflect it was once treated with great suspicion by the public. The first traction avant went to a customer exactly half-a-century ago last week — on 3 May, 1934.

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Gleddoch House Hotel, Lansbank, Renfrewshire

where kids can roam a 300 acre working farm to the Lygon Arms in Broadway where some double rooms can cost £85 a night.

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Chewton Glen at New Milton and Greywalls at Gullane, have very much a country air about them. For anyone who simply wants the best the Prestige list is hard to beat.

Meanwhile the Scottish Commended Hotel Scheme this week reversed the normal judgment and produced its commended hotel guest, voted upon by hoteliers. One assumes that he who stars regularly, is appreciative of hotel efforts and always orders the best but keeps a well-mannered subtlety about it makes for a good guest. But what of the bad? ... Oh you know, the sort of person who pinches the soap."

I blushed. My own soap collection grows constantly. I have a particularly fine line in Government Factory soaps from India, Cuba, China, and the USSR. One day I might even publish a guide to Commended Hotel Soaps.

The BTA Commended Guide is available from bookellers (£2.25) or by post from the BTA, 64 St James's Street, London SW1A 1NF (£2.50). The Benson and Hedges Guide costs £1 from bookellers. Prestige Hotels, 13/14 Golden Square, London W1R 3AG, will send a full colour brochure free to inquirers.

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Holidays and Travel

Hotels section featuring 'Do India on your own' with sub-sections for DELHI, BOMBAY, and GOA. Includes details on Taj Holiday Village, Taj Palace Hotel, and other Taj Hotels. Also mentions 'The Taj Group of Hotels, India'.

Summer the winter away in South Africa. Advertisement for Safleisure cruises to South Africa, mentioning the M.S. Astor and M.S. Astor 2. Includes contact information for Safleisure.

Safleisure logo and contact information. Includes a form for NAME and ADDRESS, and a phone number: 01-235 5175.

MOTURING

Back to front arguments

BY STUART MARSHALL

A SLIGHT disagreement exists between the French and the Germans about the forthcoming centenary of the petrol-engined motor car. They both think they were first. But there can be no doubt at all over who pioneered front-wheel drive, even if the vehicle was steam driven.

It was in 1769 that a M Cugnot fixed a two-cylinder steam engine over the front wheel of an immense tricycle and then, apparently not knowing where else to put it, hung a copper boiler in front of that. He was, of course, French. As a nation, they have been renowned for an unorthodox approach to vehicle design ever since.

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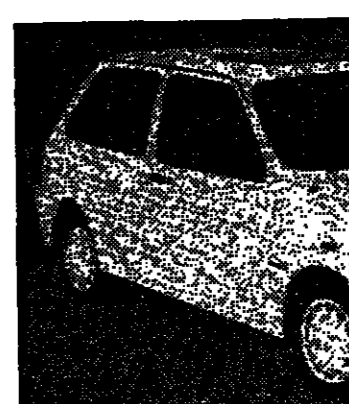
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DS19, with its hydro-pneumatic suspension as well as front-drive in 1955. Motor Show crowds at Earl's Court appeared not to believe that a car without steel springs could actually work. The French took to the DS like ducks to water, not least because it made long journeys over the then rough and broken D roads not just tolerable but comfortable. Elsewhere, those who knew about cars admired its mechanical brilliance but the motoring public stayed with the conventional cars it had become used to. Neither Germany nor Italy had a volume production front-drive car until the end of the Sixties. By that time the Mini, which arguably did more to popularise front-wheel drive than Citroën's pioneering, had become well established, though after a faltering start.

Volkswagen stayed with rear engines until it nearly broke, going front-wheel drive just in time. First with the lacklustre K70 it had acquired by taking over Audi-NSU, then with its wildly successful Golf. The rush to front-drive accelerated. BL (then BMC) was in the vanguard of design with the 1100 and then rather lost its way. Renault went completely front-wheel drive, Fiat was first to go. The American Ford and General Motors — heid back though Chrysler, through its Simca subsidiary, followed that trend.

When the Japanese began making inroads into Europe, it was with rear-drive cars almost entirely — Honda was the only

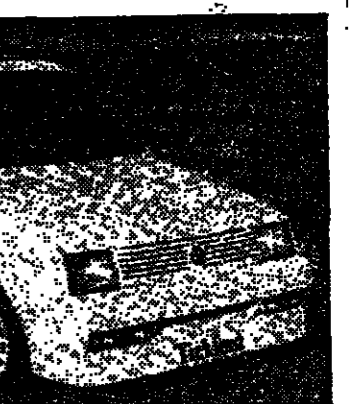


exclusive looking car without any increase in running costs. About 100 have been sold so far and demand is running at around two per month. The work, though, need not stop there. Options offered include full leather trim, Wilton carpet, cruise control, electric sunroof,

disenter. Ford's first front-drive car (other than an inter-diff German Taunus in the mid-60s) was the Fiesta, followed by the Escort but not by the Sierra, the only modern high volume car of its class with rear drive. Mercedes-Benz and BMW experimented with front-wheel drive but rejected it for production models. As Japanese penetration of Europe quickened in the mid-1970s the manufacturers realised that what was acceptable on their home market or in the U.S. would not do here. First Datsun with the Cherry, then Mazda with the 323, went front-drive. Now, the average Japanese small to medium car is cast in the classic European mould of transverse engine (pioneered by BMC), front wheel drive, rack and pinion steering and all-independent suspension.

Citroën, for several years part of the Peugeot-Talbot group, has been idiosyncratic. It was though still totally committed to front-wheel drive — the steel-beated radial tyre. Close to 40 years ago it demanded a tyre that would last longer on the "wobbly" drives cars than the "wobbly" tyres of that time. Michelin came up with the steel-beated X. At first the industry was hostile. But, as the merits of radial construction were appreciated, and the difficulties of manufacture were resolved, the steel-radial carried all before it — just like a front-wheel drive.

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Hawaii's hidden islands

BY ALAN PONSFORD

FOR TWO long seconds, as the vertical rockface loomed ahead, seemingly at arm's length, my mind failed to register that the helicopter could go backwards. But then, abruptly, the fearful moment was gone and we were backing up, up and away towards the inner edge of the volcano, swivelling, scurrying sideways like an airborne crab, reaching for the crater rim, over and out.

Suddenly, the helicopter slowed and we were putting down softly in a meadow to drink champagne beside a tranquil pool below a waterfall. The idyllic setting was Kauai, a mere 28 jet minutes from Honolulu but a world removed from the razzle-dazzle Waikiki. Scenically the most dramatic, yet the least sophisticated and commercialised, the slow-paced and genteel of the four most-visited Hawaiian islands.

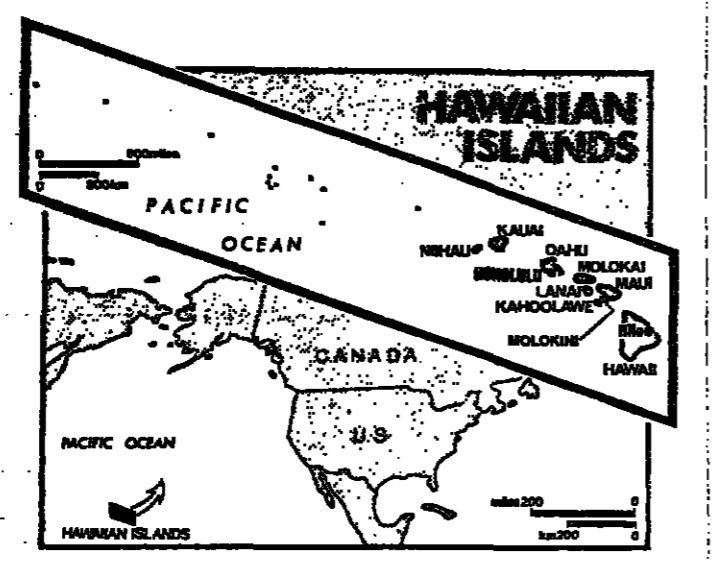
Today these islands are the Tropics. Superb facilities for the tourist's material well-being still leave vast tracts of coast, mountains, forests and sleepy rural areas untouched. Roads, uncluttered by forbidden billboards, are generally uncrowded; speed limits are low and driving is well-mannered. There are no snakes and virtually no harmful bugs. And the local people are a charming, courteous blend of Polynesian, Oriental and Occidental.

Yet, to their cost, thousands of Hawaii's visitors discover few of the delights that lie outside the confines of Honolulu's Waikiki tourist enclave. For an investment of 50 cents in a bus ride of \$20-25 a day in a rented car others reap rich dividends.

It is no more than a leisurely half-hour drive from Honolulu to the remarkable Hanalei Bay. This large sandy cove is a protected marine life conservation area, where the youngest and most timid of bathers don masks and mingle with shoals of huge multi-coloured fish. Confident swimmers explore more profoundly beyond the reef. But at any depth, if you take with you the remains of your lunchtime hamburger, you will nibble it from your hand. It is like swimming in an aquarium.

However, the greatest rewards are for those who venture out to the lovely, secluded "neighbourhood islands". Compulsively, by far the largest one also bears the name of "The Big Island" — is to take the 40-minute flight to the east coast town of Hilo and drive east to the western Kona coast to fly out.

Hilo is essentially small-town America by the sea — like the other island communities unpretentious, lived-in, much more than just a resort. Blessed with a profusion of



banyan trees. It is arched around a long bay bobbing with white sailing and deep-sea fishing boats. Apparently at the city limits but in reality 20 miles away, broods Mauna Loa, one of the two 13,000 ft volcanoes that dominate the island.

In the Volcanoes National Park — an hour by car — the most active crater, Kilauea, puts on a spectacular show in a vast, awesome lunar landscape whose surface breathes smoke and fire and red-hot lava.

Mau is the out-island that has yielded most to the pressures of tourism. Even so, the high rise is not very high and has been contained in two attractively developed areas without encroaching on the rest of a largely unspoiled, serene but occasionally wild, countryside.

The Wailea resort complex is a particularly handsome, well-planned combination of hotels, apartments and two golf courses, in which the deluxe Wailea Beach Hotel makes a feature of its luxurious gardens. The island's showpiece is the restored old whaling town of Lahaina, whose waterfront is intriguing and amusing, though with perhaps a mite too much of the Disneyland touch for some tastes.

Highlight of Maui for me — and 60 other intertidal souls — was an expedition in a motorised catamaran to the islet of Mokolina, the partial rim of a crater now submerged and teeming with tropical fish. Expert divers led snorkelling sorties from the boat and instructed beginners. At \$44.50, including equipment, lunch, drinks and transport, the four-hour trip seemed good value.

Many British visitors first discover Hawaii by breaking a trans-Pacific crossing or extending a U.S. West Coast trip. They can take advantage of special cooperative hotel rates or, at some times of the year, low-priced

BOOKS

When the Director-General of the BBC kept a low profile

BY PETER JAY

Split Screen by Ian Trethowan, Hamish Hamilton, £12, 222 pages

I defy anyone to sit in the chair of the Director-General of the BBC and not be moved by a sense of history. It is one of the great positions of influence or potential influence in our society...

Sir Ian Trethowan sat in that chair for five years, modestly awed by the office and by the fact that he was occupying it. Indeed, he tells us that he has written this memoir in an attempt to explain how something so "extraordinary" as becoming Director-General of the BBC could have happened to him...

this severely matter-of-fact—at times almost trite—record of the extraordinary and historic things which keep happening to this nice, ordinary man.

According to Trethowan the whole story is an amazing series of flukes and luck—a lot of luck. At school he was an "academic failure", and his headmaster told him "you are making a big mistake. You will never make a journalist."

He opted for journalism because "academically I had no qualifications to do anything else." In the war he tried to become a pilot but was "crashed his plane and then I fared better as an observer than as a pilot."

all of us who heard the news that day would have settled very happily for the assurance that, after the Nagasaki bomb a few days later, the world would recoil from the use of such a weapon at least into the 1980's.

And in similar low-key style so it continued, chance by chance, job by job, laconic comment by laconic comment, through a successful career of political journalism in print and on the screen until 1967.

After about a year with my squadrons during which we moved in leisurely-uneventful hops as far as Ceylon, I was not unhappy to be taken off flying. . . no one who visited India at the end of the war, however briefly, could have had any doubt about the magnitude of the task facing any British or Indian who tried to lead the country to peaceful independence.

When, after Trethowan had done a suitable initiation as managing director of television, the succession to Curran came to be decided in 1976. It just so happened that outside candidates were excluded for lack of BBC experience and the other two internal candidates (Gerald Mansell and Alasdair Milne) were disqualified by coming from the wrong part of the BBC or being too young.

As I went to bed that night I could not but reflect that it is given to very few men to reach the absolute summit of their chosen profession. I was honest. I also had to reflect that I had been astonishingly fortunate. There was, of course, infinitely more to Trethowan's rise to the top, in which he took so much legitimate pride, than this. His modesty is as attractive as it is far from being the whole truth.

But at the end one is left with the strong impression that Trethowan, as Head of the BBC, was what he was in the first air war assembly "better as an observer than as a pilot." He navigated the Corporation through a very tricky series of confrontations with successive Governments over licence fees, over the BBC's charter and over specific programmes "outrages."

He shunned intellectually the big structural issues of how to manage the BBC, of how to insulate its finances from political interference and of the clear differentiation of the BBC's regulatory and creative roles in broadcasting. For example, he excoriates the Annan Committee for failing to understand the BBC and its "unitary" system, when it sensibly proposed that, as with ITV, the BBC's roles as both regulator and creator of programmes should be more clearly separated.

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I found this an interesting account in that it raised in acute form the editorial role of the Director-General. . . if I were going to immerse myself in the re-editing of this edition of Panorama, where would I stop? . . . on the other hand, if the Director-General is shown a programme before it is transmitted and considered it to be poor and unworthy of the BBC, should he bite his tongue and only make his criticism after it has been seen by several million people, and in his view the damage to the BBC's reputation has been done?

Perhaps, therefore, it was another example of Trethowan's good sense, as well as his natural modesty and shrewdness as an observer, that in 1981, a year before he was due to retire, he concluded that to deal with his new generation of problems (the surprising, even embarrassing decision to give the BBC both the first two satellite channels for direct broadcasting into the home, and the related issue of cable expansion being pursued energetically by the Thatcher government) the BBC needed a new leader, able himself to look several years ahead.



Ian Trethowan, from presenter to head man

Gentlemen of letters

BY ANTHONY CURTIS

Desmond MacCarthy: The Man & His Writings introduced by David Cecil. Constable, £9.95, 313 pages

The Lytton Hart Davis Letters: Volume Six 1961-62 by John Murray, £13.50, 193 pages

Authors by Profession: Volume Two: 1911-1981 by Victor Bonham-Carter. Bodley Head and The Society of Authors, £12.50, 336 pages

Desmond MacCarthy who succeeded Coase on the Sunday Times as its regular literary critic was the most influential book-reviewer of his generation. A review by Arnold Bennett probably sold more copies of a book than so far as reputation and prestige were concerned, MacCarthy's accolade was the one that really mattered.

He was in fact a brilliant essayist who packed cunning surprises into his urbane prose, and he was, according to his acquaintances, an equally bewitching talker.

MacCarthy had sat at the feet of many of the men he later wrote about: Henry James, Conrad, Meredith, Hardy, Asquith, Belloc, Maugham. His most successful articles often open with a living impression of the author in question based on MacCarthy's private fund of memories which was vast, leading to an assessment of the work. MacCarthy invariably risked describing its essence through a large generalisation.

These instant assessments do not always come off but, by provoking disagreement, they force one to look more closely at the author under review. One can't really ask more from a weekly critic than that.

being one of his most revealing, showing MacCarthy in the role of parodist. MacCarthy introduces a character of his own devising into the Pilgrim's Progress—Mr Common Sense, by whom he confronts the Dreamer and makes him very angry. Using MacCarthy's own formula of the Man and then the Work, Lord David has prefaced this selection with a delightfully candid and perceptive pen-portrait of his father-in-law whom he rightly judges not as any kind of failure but as a dazzling success in one of the most difficult of all forms of writing.

It is safe to say that, had he been alive to do so, MacCarthy would have devoted quite a lot of space in his weekly column to the six volumes of The Lytton Hart-Davis Letters, the final volume of which has just been published. MacCarthy would have relished the snap judgments on a huge variety of authors in which this correspondence abounds. The final volume, 1961-62, is much concerned with the long last labours, in the form of index and proof-correcting, of Sir Rupert's definitive edition of The Letters of Oscar Wilde, work for which George Lytton was willingly co-opted.



Desmond MacCarthy: ease of manner

Lytton died shortly after writing (or rather dictating from his hospital bed) the last of his letters. "I am not even a chaos," he said. "I am an vast infinity." The whole six volumes are a splendid memorial to the delights of bookmanship and fellowship.

Incidentally, "Hugo Dawson," the English don at Merton College whom Sir Rupert says he sat next to at the opening of the Beerbohm Room luncheon, should be amended in Hugo Dyson in square brackets in the next edition.

When he died in 1932 MacCarthy was earning no more than £2,000 a year as the top literary critic in the country, the head of his profession. His colleague James Agate never received more than £1,500 from the Sunday Times of which he was the renowned drama critic, though as a "pluralist," writing for other journals at the same time, his total earnings were more than that.

Anglo-Prussian

BY MALCOLM RUTHERFORD

Alias Papa: A life of Fritz Schumacher by Barbara Wood, Jonathan Cape, £10.95, 384 pages

Fritz Schumacher, born in 1911, must have been an appallingly arrogant young man. He concluded that the English were not very civilised, partly because they served boiled potatoes in their skins. (The Germans murder potatoes, he wrote of America, where he had much of the banking, social and academic worlds at his feet: "One sees a great deal here, but only a small part seems worth copying.")

Fritz's main postwar job, as Minister of Power, he suggested that the newly created National Coal Board needed an economist. The post went to Fritz. Gaitskell again was responsible for his brief release as economic adviser to Burma, though there is no evidence in the book of that posting.

For a long time, indeed, Fritz was relatively obscure, known mainly to academics. There was also some volatility in his intellectual development. He discovered Marx late, then declared: "It is my intention to offer my services to the revolutionary workers as soon as the opportunity serves." The new Germany he thought should combine western politics with eastern economics.

When he later became a Buddhist, he switched from thinking that no intelligent man should believe anything that could not be proved to the view that nothing should be dismissed because it could not be proved. Subsequently he said he could not become a Catholic because he couldn't do it to his mother, who was a Protestant, though in the end he did. Before he died in 1977 he was planning a study of Islam.

His books were the product of a life-time's thought and lecturing, but came into the world in a few years. The title "Small Beautiful" was his own, but a flash of inspiration by the publisher Anthony Blond, Fritz had wanted to call it "The Homecoming." Margaret Thatcher, for one, has her own heavily annotated edition.

Schumacher was remembered mainly for developing the concept of intermediate technology—thought of as a heresy when he introduced it by such figures as Lord Kaldor, but now seen as a way of reconciling new opportunities with old circumstances: applicable to the inner cities as well as the third world.

He would have been a brilliant journalist and early on had David Astor of the Observer and Donald Tregman, who was to become editor of the Economist, as his sponsors. But he turned down the offers with the words: "I could not bear the semi-responsibility of journalism." Arrangements again.

For my part, I like the author's description of him as "Prusso-English," not an act that is often put together—a mixture of Gaitskell and the German Social Democrats. Barbara Wood, one of his daughters, has written an excellent biography that does not conceal the warts. What was he doing preaching about culture, she wonders, when his choice of music was a selection from 100 Best Tunes?

Grace

BY FLEUR COWLES

Princess Grace by Sarah Bradford, Weidenfeld & Nicolson, £9.95, 242 pages

Princess Grace died a harrowing and totally undeserved death at 52. In Sarah Bradford's biography, the years before she was born are documented, beginning with the early Kelly roots in the mid-19th century on a farm on the Atlantic coast of Ireland.

Grace's parents, the third-generation Kelly clan, lived in Philadelphia and though wealthy they were once snubbed by Philadelphia society (of little consequence, it turned out). Grace inherited her father's great good looks, her mother's beauty (she was descended from royal stock in Germany) and her playwright uncle George Kelly's love of the theatre.

The touch of Teutonic blood on her mother's side explains Grace's determination. She gained from her father (of brick-laying fame) the dignity, pride, fierce independence, the built-in shyness which were evident in Grace's style and which enhanced the Grimaldi title she acquired when she married, to consummate a real-life fairy-tale romance.

Sarah Bradford cannot resist probing her heroine's love-life before she married—which most unfortunately may be the chief element in the book to be picked up in gossip columns. But, one can also glean other things, among them that Grace helped her husband make Monaco's 400 acres into a principality as famous as a large royal state; that she made marriage and motherhood fashionable; that she made the arts a part of the life of Monaco, helping Prince Rainier restore its cultural past (giving the lie to the now-dusty remark of Somerset Maugham's "Monte Carlo is a sunny place for shady people"). And by

travelling extensively to give poetry-readings, she brought fresh life to this flagging literary art.

Grace survived being a public person by remaining a private one. She learned (an uneasy task for a devout American) to "become French" while Monaco watched and listened. She never lost her father's skill as a raconteur (something to which I can testify, having heard her tell anecdotes in my home in every possible accent—including Yiddish.)

As Princess Grace's friend, I find the whole person comes alive in Sarah Bradford's book, and that the whole person was most admirable.



Princess Grace: skill at anecdotes

Rosie

BY GILLIAN DARLEY

A Nice Girl like me; a story of the seventies, by Rosie Boycott, Chatto and Windus, £8.95, 236 pages.

Occasionally one is pinned in the corner of the room at a party by a complete stranger who proceeds to tell you the distressing incidents of the last months. Such encounters have an acutely embarrassing flavour if the setting is a congenial one and the person is completely unknown. This curious tale has something of that kind of gratuitous unburdening about it.

It is constructed in two parallel strands: one, told in the first person, is the experience of a woman of 30 finally admitting to alcoholism within the confines of a clinic, the other told in the third person is the passage of a product of Cheltenham Ladies College over the reefs of the late 1960s and 1970s. It must be said for Ms Boycott that she left few stones unturned; drugs (all

sorts), sex (all ways), drink, gurus, unspecified radicalism. For anyone reading this book in years to come in search of clues to the mentality of the alternative society, there is precious little to grasp. Or perhaps, by default she does give us the odd clue—Rosie Boycott found herself in New York immediately after being incarcerated in a Thai gaol for drug trafficking. She immediately presented his magazine with her account of extreme privation. They did not want it, even though Rosie Boycott was one of the founding editors of Spare Rib magazine. She seemed surprised by the refusal.

It was perhaps the naivety of her culture-hoppa, taboo-busting, essentially uncommittal way of life that led her to the clinic whilst others took different routes out of the same impasse. The author claims now a peace in family life that has allowed this exorcism.

Old China hand

BY HAROLD ACTON

The Ford of Heaven by Brian Power, Peter Owen, £10.50, 192 pages

Heaven has always played a preponderant part in Chinese nomenclature but no city could have been less heavenly than Tientsin (Chinese for the Ford of Heaven), when it was a treaty port divided into foreign concessions. After Peking it looked to me like a bit of Manchester transplanted. Those "Victorian Tientsin" buildings, All Saints Church and Gordon Hall, containing "the police station, law court, offices of the British Municipal Council and an assembly room where concerts and public meetings were held" only Sir John Bienenman could do them justice in hymnal prose, but Brian Power has now preserved them and their social climate in the delectable aspic of his prose.

In this fascinating memoir Mr Power records the first 18 years of his life in Tientsin as if he were unfolding a Chinese hand-scroll with a rich variety of figures in a winding landscape. He is endowed with a talent for total recall. During those years China was suffering from the dual rivalry of rapacious war-lords but the British Concession seemed secure, if not serene, under the protection of the Royal East Lancashire Regiment and its successor the Argyll Sutherland Highlanders. Mr Woodhead, the editor of the Peking and Tientsin Times, was there to boost morale with his jingoistic articles. How ironic in retrospect.

No Chinese were allowed in Victoria Park except for mahouts in charge of foreign children and Wang, the fat old park policeman. The Country Club also made an exception for the ex-emperer Pu Yi, who was eventually installed by the

Japanese in Manchuria. The average foreign resident viewed the Chinese with condescending humour. Mr Power gives us a typical specimen in Captain O'Riordan:

"In my opinion," said the Captain, glancing round at everyone in the room to make sure they were listening, "no one can see into the heart or mind of a Chinaman. He is inscrutable. Absolutely inscrutable." He repeated the word with relish. . . . An Irish priest retorted: "But what about the Irish?"

It's hard to read some of our minds too, is it not? Come to think of it, they've a lot in common, the Irish and the Chinese. They both have long memories for a start. . . . "Too long, much too long," said the Captain, shaking his head.

Mr Power's father was an Irish official of the Chinese Maritime Customs; his half-French mother had wished to become a nun until she fell in love and married him without her parents' consent. Brian and Patrick, his high-spirited elder brother, were usually left with their servants Y Jieh, the amah, Jieh-Jieh her daughter-in-law, and Sung Goo, the coolie or handman.

Frugal meals they were happy to share. Mr Power describes them with sincere sympathy and affection: Y Jieh had acted as midwife at his birth when the house was marooned by flood waters; she was "wise and strong as a rock that had been shaped by the weather."

Y Jieh and the story-tellers in the market-place taught him as much as he knew of China and nourished his juvenile fantasies. At the Catholic and Protestant schools he attended none of the masters or mistresses "taught a single thing about China, its geography, its

language or its history." The haunting cry of a flower-peddler selling white lotus, symbol of the secret anti-foreign society to which many so-called Boxers had belonged, forms the leitmotif of Mr Power's impressionistic narrative. Pu Yi, the ex-emperer of China who he had fled to the Japanese Concession and was eventually set up as puppet emperor of Manchuria by his Japanese hosts under the aegis of the sinister Colonel Doihara (admitted as the "Lawrence of the East" by Mr Woodhead and his acolytes), and even the saintly Père Teilhard de Chardin appear in vivid vignettes. But Y Jieh, the devoted amah, leads the procession of Mahatma's characters. Mercifully, unlike most "Old China Hands," Mr Power knows where to stop. His pen-pictures linger in the mind. He is nostalgic without sentimentality.

In 1973, nearly 40 years after his departure from Tientsin, he had the courage to return with a group of tourists, but only for a single night. "With no sights worth seeing, it was merely a congenial stopping place." In his moving epilogue he exclaims, as I should have done:

"What had possessed me to return? The wound of exile had taken many years to heal. Now it had reopened and I felt its deep pain again."

But he had been too long in the West and had lost his old habit of reverie. Nevertheless he has let himself dream in these pages and he has succeeded in recapturing "something of the spirit of the Ford of Heaven." This is the first book he has published and I hope he will provide many sequels for he is a genuine artist.

Fiction

Storey's way BY NICHOLAS BEST

Present Times by David Storey, Jonathan Cape, £8.95, 270 pages

The Dearest and the Best by Leslie Thomas, Methuen, £8.95, 419 pages

The Wall Jumper by Peter Schneider, Allison & Busby, £7.95, 139 pages

Sisters by Rita by Joan Lingard, Hamish Hamilton, £8.95, 220 pages

An ex-rugby league professional named Frank, a grey Yorkshire city, a glamorous woman in furs—it's the opening scenes of David Storey's Present Times seem a touch familiar. It is because he also wrote This Sporting Life, his first and perhaps still his most celebrated novel, which did more for rugby league in its day than anyone except Eddie Waring.

But a generation has passed since then, and Frank Attercliffe—the somewhat dull hero of Present Times—has hung up his boots once and for all to become a middle-aged sports reporter with a wife in psychiatric care and five difficult children, the eldest of whom pops the pill and hides firearms to keep her black boy friend out of trouble.

Frank's problems are the usual ones of middle age. Redundancy, a broken marriage, dislike of the boy friend, bad teaching at the children's school, the death of his closest chum, all narrated with the author's usual ear for that nitty gritty Yorkshire dialect he knows so well. As to which of these themes predominates, it is difficult to say, for they are woven together with less than his customary skill. There is also a certain amount of tennis match dialogue which could have been avoided in a play-
wright of his standing. The overall effect, though, is of

great realism, for Frank is handled with care. He comes across as an ordinary man with ordinary problems, the sort one meets with every day.

Ordinary people, too, are at the heart of Leslie Thomas's The Dearest and the Best, a novel of 1940. Another one, you might be forgiven for thinking—with good reason—for this is really only Mrs Miniver revisited in the shape of the Lovatts, a Hampshire village family, one son in the navy, another a military assistant to Winston Churchill. Dad more or less in control of the local Home Guard.

Gamekeepers report for duty. Dad calls his boat to Dunkirk. A dog-fight takes place above the fete, villagers gather round the wireless to listen to that speech. Familiar stuff, neatly put together, but without the sharpness of Leslie Thomas's earlier work. The book's chief interest lies in his attention to detail: the England is not entirely dead that can list a teapot in a village War Book as a useful weapon for smirking the enemy.

An oblique consequence of those dark days of 1940 is the Berlin Wall, the subject of Peter Schneider's intriguing The Wall Jumper, excellently translated by Leigh Hatley. Though billed as a novel, it reads more like a foray into higher journalism, employing the Isherwood "I am a camera" technique to explore the manifest absurdities of a single people divided by a barrier that has now been there so long that most Berliners simply don't see it any more.

The only people who do, in effect, are the tourists from both sides, who look at each other through binoculars before returning to their respective coaches, each hired out by the same travel company. The tourists—and a certain Herr Kabe, a mildly eccentric West Berliner famous for regular

escapes into the East, climbing the wall for no other reason than because it was there: Unable to arrest him for illegally crossing a border that he had actually done not exist, the West German authorities placed him in a psychiatric hospital instead and questioned his sanity. The doctors found him sane and recommended that the authorities should recognise the wall. So it goes.

The division between the two Berlins is artificial, but the division between the two Belfasts is real enough, rooted in a curious aversion that sets street against street, and even houses in the same street, as when a little girl called Teresa moves into No. 13 in the early days of 1964. She is the first. They have known—and she becomes one of Joan Lingard's three Sisters By Rita, mingling blood with Protestant Rosie and Christian Scientist Cora in a forbidden childhood friendship that a rivres shaken—though never entirely sundered—through the vicissitudes of the early 1970s and the latest round of the Troubles.

This is in fact a Belfast story—if such can be true of Belfast—with the older brother Gerard severely beaten up by Rosie's uncle for daring to make love to her, an episode avenged 17 years later when another of her brothers shoots one of the uncles dead on his doorstep, an episode avenged in turn when another plants a bomb in Gerard's surgery.

And so on, a depressing tale—as ugly as it is frustrating—but beautifully told by Joan Lingard. There are no heavy judgments here, no sermonising. She writes coolly and sympathetically, with great empathy for both sides. She is at her most telling when Gerard, a decent young man who sincerely loves Rosie, admits that he could never marry outside his own race.

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HOW TO SPEND IT

by Lucia van der Post

Bringing the outside in

THERE are few simpler or more magical ways of extending the pleasures of your domestic life than by the addition of a conservatory. I have always found it strange that whereas even the humblest and smallest of homeowners think it quite acceptable to have a room extension so few of them consider the much more special delights that a true conservatory can offer.

A conservatory, after all, is a room extension but also it is much, much more. If it is heated and well-lit and filled with plants and flowers, it becomes an extra room that offers all the pleasures of the garden with few of the drawbacks. In our cool, grey, temperate summers when the outside is often more ravishing to look at than to sit in, the conservatory offers protection from the bracing outdoor winds and cold, it offers warmth and shelter and the sweet, summer smells of flowering trees and plants. For keen gardeners, it offers the chance to grow plants and flowers that more properly belong to hotter, gentler climates.

Though the prime requisite for those who hanker for a conservatory is space, even those living in cities with nothing more than an urban patio might be surprised at what can be managed on roof terraces and as small extensions from house on to patio.

A conservatory can cost you as little as about £200 for a single-glazed, aluminium extension that is really little more than a greenhouse with the end cut off, but those who are too easily beguiled by bargain prices should remember the old adage that you mainly get what you pay for; £200 conservatories are liable to leak and rattle and can't provide the year-long warmth and magic the true conservatory should offer.

For £2,000 to £5,000, however, a company like Amdega can provide you with an 8 ft by 12 ft octagonal modular conservatory made from cedar-wood and glass that would be a year-long haven. If you can go up to £10,000 you could almost certainly have all the extra comforts like double-glazing and fine detailing that turn a conservatory into a truly magical room.

Double-glazing, Amdega tells me, is the big new story in conservatories. As recently as two years it had never been installed double-glazing at all, whereas now it is what all those in the know are asking for. It is expensive at the beginning adding some 30 per cent to the installation costs, but the benefits in terms of energy saved are enormous. As Amdega points out: "Double-glazing doesn't just

prevent heat escaping, it is a net contributor to the warmth of the house, in that heat generated in the conservatory cannot escape outwards and so travels through into the house."

Those who are considering a conservatory this year should remember that the last budget removed the VAT exemption for certain house extensions and that from now on all prices quoted in brochures will have the 15 per cent VAT levied on them.

Most companies quote just for supplying the parts for the conservatory itself but will usually be prepared to dig foundations, erect and finish the building as well. For those who are very handy themselves or are lucky enough to know friendly local carpenters and builders, it is often possible to arrange to have it erected more cheaply.

Most companies have standard modular designs but nearly all are prepared to adapt these to suit almost any house.

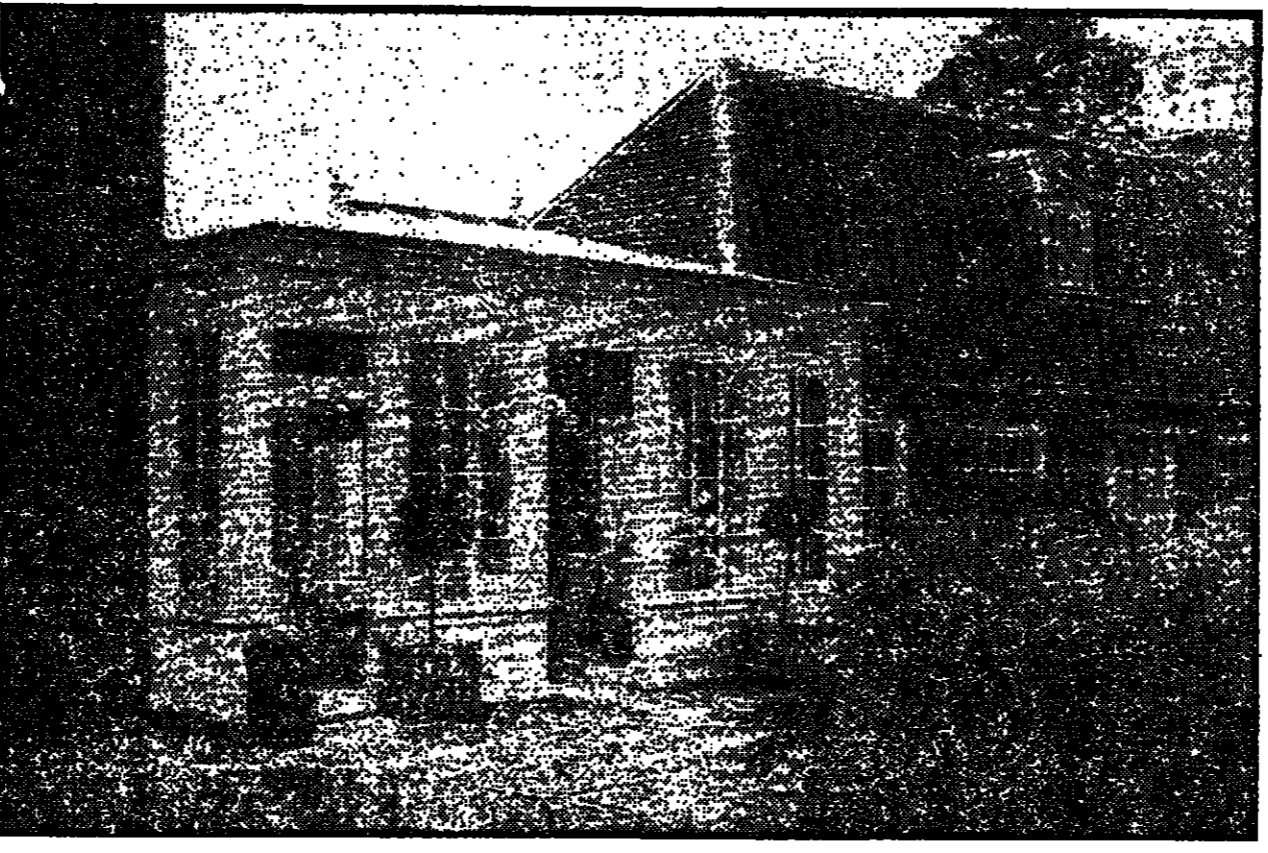
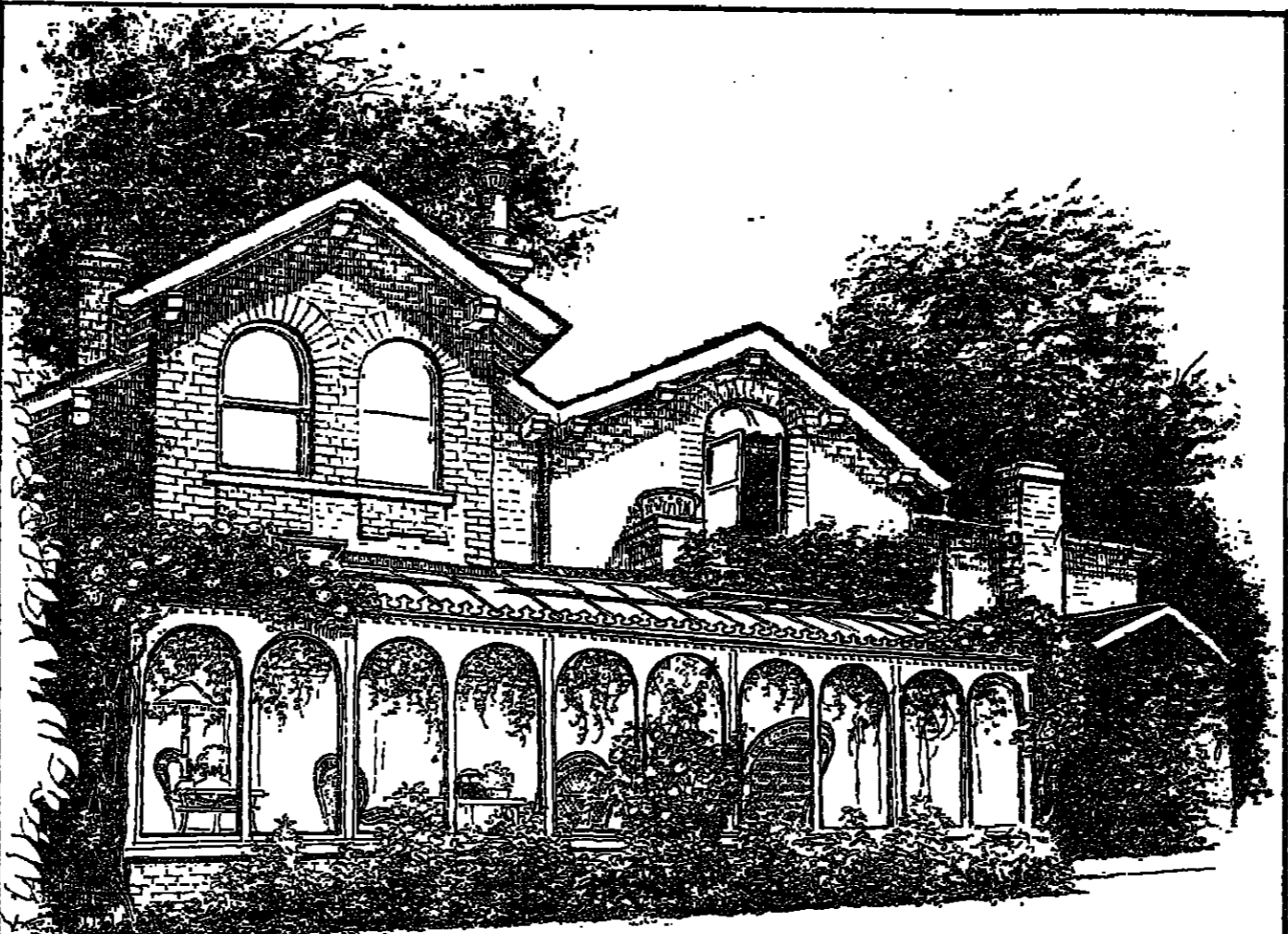
Once your conservatory is erected there are several other points to remember. Floors are, I think, all-important—do not be tempted to embellish them with fashionable Italian ceramic tiles. These are quite inappropriate to the gentle, English nature of conservatories and tiled or stone floors look infinitely more at ease.

Heating is essential if you are to use your room on a year-round basis but remember the main difficulty with linking heating to the central heating is what do you do on a chilly summer day? Spot heaters here may be the answer. If you have valuable delicate plants you will need a thermostatically controlled heater to come on when temperatures drop below a set level.

Make sure you consider ventilation—it is essential to be able to air and cool the room and several of the windows should be open. Vent-axia offers an automatic ventilation system which ensures that windows will open automatically as soon as the temperature rises above a certain point.

Most people consider blinds essential and I think the best and nicest ones are pinoleum (either natural or dark green) but a company like Marston & Langinger also provides cedar-lathe versions for outside.

When it comes to maintenance it is as well to remember that heating costs will rise but most owners report that this is much less than they had expected. Repairing will probably be required from time to time and most companies use strengthened glass which should not damage easily.



RICHARD NEGUS (of Negus and Negus Design Partnership) and his wife, Pamela, have one of the most enchanting London gardens I know—large, verdant, private and full of climbing roses and other country pleasures. As for the house, though pretty enough in its own right, it is the conservatory (sketch left) built on to the back that gives it its special magic—here is a room that has totally transformed the way of life of the household and gives untold pleasure for a very modest outlay.

Bought from the old-established Darlington company of Amdega, it was added onto the back of the house about four years ago now. The house itself didn't have a large dining area and the Negus's love nothing more than to entertain large numbers of their numerous friends all at once.

"I've got this thing about entertaining a lot of people together," says Richard Negus.

They chose Amdega simply because the people next door had a small Amdega conservatory and they felt it would be a good idea for theirs to be in a similar style so as to preserve some visual continuity and to make sure the views from the river walk along the back would be preserved.

They ordered a standard design and their son put down the foundations and built a small brick wall on which Amdega then erected the conservatory that took just under a week but it was by no means ready for living-in. Richard Negus himself laid the floor,

using York flagstones ("they were expensive, costing about £1,000 but we thought it well worth the extra cost").

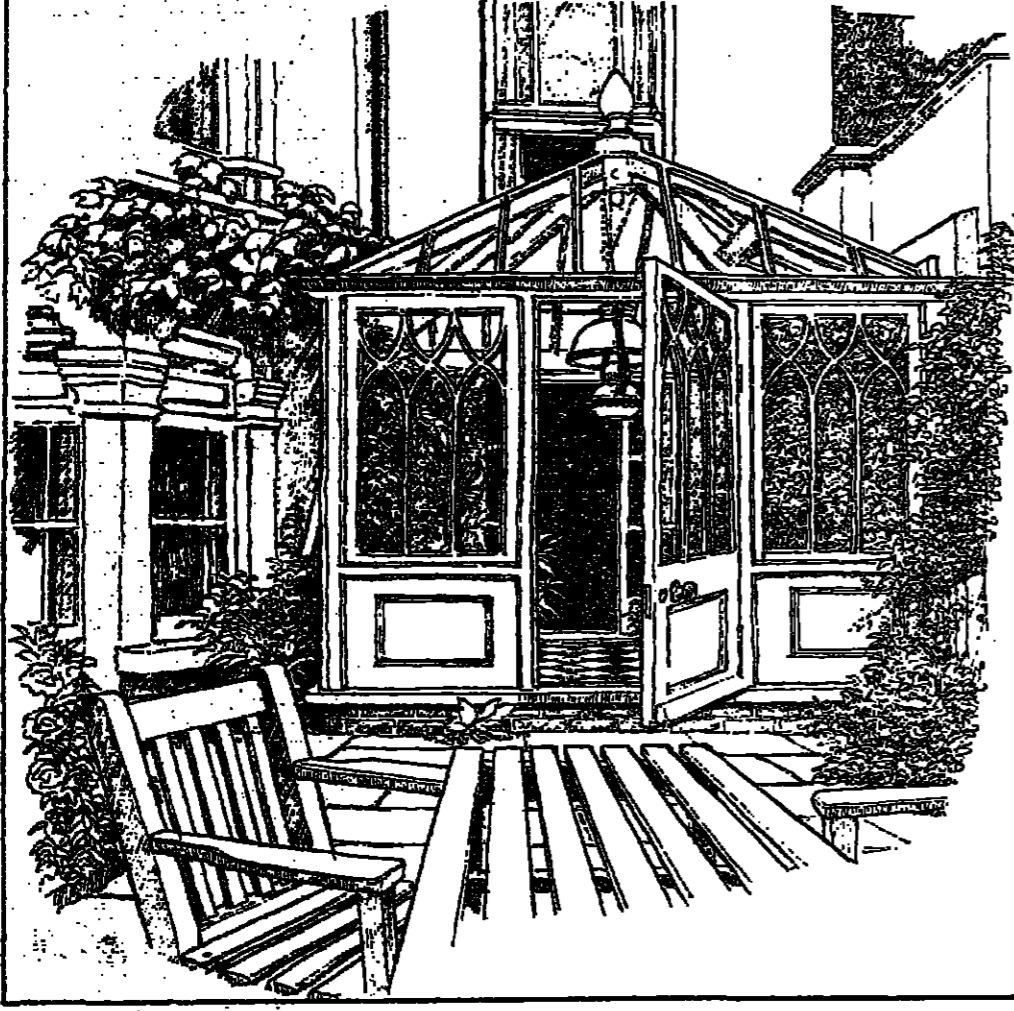
One of the clever adaptations they made was to leave a gap between the flagstones and the outside walls which they filled with earth so that plants needing deep roots could be grown—the net result is a magical room full of flowers and greenery linking visually with the remarkable garden outside.

In all the total cost was about £7,000 ("though now, I suppose," says Richard Negus, "it would be more like £10,000").

He used 4-in plate wired Georgian glass for the roof and though he would have liked to have been able to open the whole of the long side he settled for being able to open a lot of windows in the roof—at least a quarter-of-them can be opened to encourage a good breeze if necessary.

"For those whose thoughts are turning towards a conservatory, he has a few words of advice. Don't underestimate something like 8 ft wide by 15 ft long is a good size and the roof might be to be able to use it constantly. It is also terribly important to choose a style that enhances the house or certainly not one that is at war with it.

A good way to plan is to take a photograph of your house and site it up against the conservatory design. Remember that you will live with it forever. Finally if you have an ugly wall, put the conservatory against it, it will mask it beautifully."



LEFT

MR AND MRS Peter Trumper have an enchanting small house at Chiswick with a garden that gives right onto the river. When they moved into the house they found a small unattractive potting shed right against the drawing room wall which clearly needed to be replaced. A small conservatory seemed the perfect answer.

The Trummers are clearly marvellous gardeners and the charm of the conservatory is that it adds immensely to the visual pleasures of the garden—not only does it add space in which Mrs Trumper can grow many delicate, sweet-smelling, exotic plants but it gives extraordinary visual delight to the whole house.

From the drawing-room one sees not just the conservatory itself, lushly filled with a rich variety of greenery and flowers, but the lightness and transparency of the structure allow all the further delights of the outside garden itself also to be seen and enjoyed. At night, too, when an oil-lamp from the ceiling lights the whole verdant area is still a living part of the house.

The area isn't large just 8 ft by 12 ft, but in it Mrs Trumper grows a large variety of both English and exotic plants that would not survive outside. Brilliant orange columnea hangs from the ceiling, there is

jasmine and oleander, hibiscus and plumbago, Bougainvillea and a wide selection of sweet-smelling geraniums.

Though it doesn't take long to water the plants Mrs Trumper finds that a tap inside the conservatory is a marvellous labour-saving aid—particularly in winter. She also recommends would-be owners to try to border the beds inside the structure with old rope tiles, often available from old kitchen gardens or else newly from the Fulham Pottery, 184 New King's Road, London SW6, to prevent the earth from swelling out over the floor when it is watered. There are quarry tiles on the floor.

Because there are so many delicate and special flowers, heating is important and Mrs Trumper solved that particular problem by buying a greenhouse heater which doesn't just heat the air, it also circulates it. It is operated manually (peripatetic owners should think in terms of automatic ones) and she plugs it in at night if she thinks the temperature is going to fall very low.

Their particular conservatory was supplied by Marston and Langinger but the Trummers organised the building of the foundations, the gutting, painting and lead flashing themselves. Altogether, they estimate that it cost somewhere around £2,500. It is admittedly small, but it is a masterly example of just how much delight and visual charm a carefully designed conservatory can lend to a house.

ABOVE

A VERY ingenious conservatory this, showing just what can be done with imagination and a willingness to improvise. Anthony Stanbury (chief executive of the Steinburg group, makers of Alexon) and his wife, Elizabeth, own a beautiful William and Mary House which was ideal in almost every respect except that it didn't have a conservatory.

At the back of the house there was a rather unattractive corridor with a corrugated iron roof that linked the main house with a smaller addition and this proved to be a perfect site for a conservatory. As Anthony Stanbury himself puts it, "We just moved the whole thing out and because we already had three walls we just needed to extend two of them, add a third and devise a new roof. We got an architect to design the roof and used a local jobbing carpenter to make up the frame to our own specifications. It didn't cost more than £3,000 to transform the whole area into a room which we now use all the time. It has become almost the most important room in the house."

The Stanburys have found that heat and draughts are the two main things to watch out for—"you don't want to be too hot or too cold. We've solved the

problem of being cold by using one of those air-blow heaters often found in churches. We attach it to the hot water system and not the central heating so that we can use it in the summer if we need to. To prevent it becoming too hot and the plants burning we bought split-cane blinds which run across the roof."

They used shatterproof glass which is very thick and almost brickproof. They point out that it is important that there should be enough lead flashing to prevent leaks between the glass. Window cleaning can be a problem but they have just knocked two huge nails into the sides on which the window-cleaning can rest a plank to reach the roof.

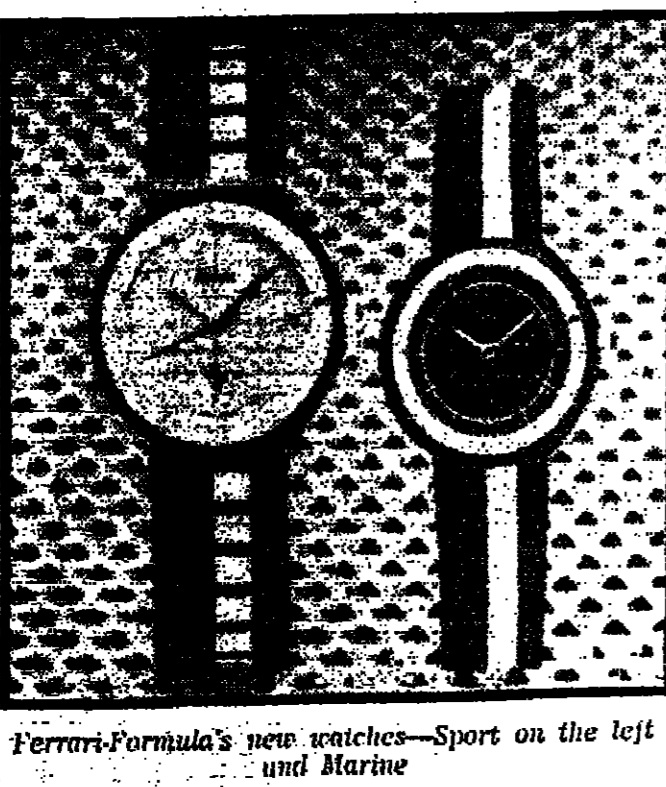
Slate and York paving stones are just the right flooring for the room, being traditional and unobtrusive. The room provides a charming and informal eating area in contrast to the larger, more formal dining room it adjoins. From the room much of the enchanting garden outside can be enjoyed and a masterly touch with the furniture is the idea of stringing the Tricorn chairs of their white paint and recovering the cushions with fabric of their own choice.

They have one remaining problem unsolved—how to deal with the unwanted flies that tend to gather in the warmth. If anybody has any answers we'd all like to know.

Useful addresses

- AMDEGA, Faverdale, Darlington, Co Durham. London Office: Zediac House, 163 London Road, Croydon, Surrey. Octagonal and rectangular conservatories in Victorian style, made from modular units which can be adapted to suit most buildings. Write for leaflets.
- MARSTON AND LANGINGER, Hall Staithe, Fakenham, Norfolk. Telephone Fakenham 3267. Two basic designs on offer—The Norwich (Victorian inspired) and the Norfolk (inspired by 19th century classical styles) but will design and adapt to suit any site or building. Charming and informative leaflets available on request.
- MACHIN DESIGNS, 4 Avenue Studios, Sydney Close, London SW3. Telephone 0251 2925. Diverse Open-plan conservatories, as well as sun-loungers and Edwardian verandas, made from timber and aluminium. Leaflets available. Also garden pavilions, seats and summerhouses.
- FCCM OUTSIDE, Department HG7, Goodwood Gardens, Waterbroch, nr Chichester. Telephone 0243 776563. Some 19 different standard designs made from wood frames and using aluminium patent glazing bars for the roofs. Mainly traditional in style but will design to individual specification. Send a stamped addressed envelope for brochure.
- VENT-AXIA, Shele Gornall, 25 Gosfield Street, London W1. Suppliers of automatic ventilation systems.

POSTSCRIPT



Ferrari-Formula's new watches—Sport on the left and Marine

Keeping watch

IF WATCHES were just about precision time-keeping, selling them would be a doddle. But, as watch-makers all over the world have discovered, it's a good deal more subtle than that.

Watches are probably the most personal of all the available status symbols. Almost all of us own one and, whether it be a funky fashion number, a solid gold bracelet version, an Art Deco find or a gadget-laden digital one, it says more about us and our personal life-style than we probably care to reveal.

For watch-makers used to the simpler conventions of the continent where gold and diamonds spell out wealth, power and desirability in very clear terms, we British have proved an awkward nut to crack. We have this inconvenient habit of being unim-

pressed by cost and clanking gold.

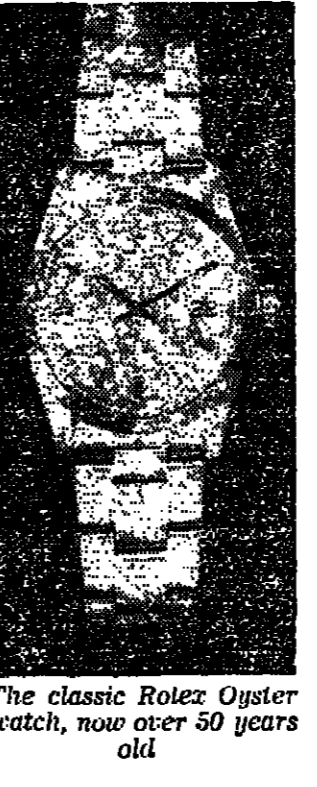
However, Rolex, one of the great Swiss watch companies reports that at last the British are beginning to think a little bit more like their continental neighbours. We are, it appears, more and more willing to spend anything from £600 for the cheapest Oyster to the £6,000 or so that a gold or platinum version will cost.

It has all been a masterly piece of image-building, taking a classic design like the Oyster (photographed here, right) from being just a very good watch to the dial that many of the world's rich and famous would most like having projecting beyond their impeccable cuffs. All this is achieved by shrewd marketing and high-class public relations, including such things as the stylish Rolex Awards for Enterprise.

For the first time one of the award winners (Flt-Lt Kenneth W. Hankinson of the British Joint Services Expedi-

tion to Brabant Island) is British and, free of commercial push through the awards ceremony was, it would be asking too much of Rolex for it not to hope that British attitude to status and image might now become even a little more like their continental neighbours.

One way to sell a timepiece may be by promoting it as classic and timeless—another, vividly illustrated by the latest Ferrari Formula designs launched this week, is by contriving to establish them as the latest, most fashionable, most sought-after of current accessories. They have personality in abundance and are very attractive to boot—they speak of action, of class without pretension, of light-hearted style. Metal, rubber or leather with straps off-centre stripes, there are three lines—City, Marine (shown near left) and Sport (photographed far left). Prices start at about £250.



The classic Rolex Oyster watch, now over 50 years old

Handy work

EVER since sweaters knitted in pure cotton first became fashionable those who bought such things ready-made have often found the price very high. Those who wanted to knit their own haven't always been able to track down pure cotton yarn.

Now Robin, the knitting yarn people, has introduced 50 gramme balls of pure cotton yarn in 10 soft summery shades, ranging from parchment white and pale bamboo to a dark blue (Marina) and a corn yellow (Spun gold). At £1.19 for a 50 gramme ball, the Robin cotton is to be found in Robin stockists all over the country. Anybody who has trouble finding a stockist, however, should write to Robin Woels, Robin Mills, Jole, Bradford.

TODAY and tomorrow those within reach of Hatfield

House, Hertfordshire, will be able to visit the 10th Living Crafts exhibition to be held in those beautiful surroundings. Those familiar with the exhibition will know that there is a wide range of craftsmen and women who will not only be selling their wares but also, many of them, engaged in actively practising them.

For instance, Ray Garrett, a City of London umbrella-maker, supplier of the great British accessory to Harrods, Austin Reed, Burberrys and other distinguished retailers, will be showing just how he makes the frames, sews on the covers and mounts the gold collars.

There will be makers of reproduction dolls, cabinet makers, water-colourists, turners of hardwood—the list is long and interesting. Admission is £2.35 for adults, £1.65 for children, it is open from 11 am to 6 pm each day and tea, coffee and buffet luncheons will be available.

Fiction first

Video critics are imbued with the spirit of rainmakers. Eyes to the sky and an unearthly chant on their lips, they pray for the day when video's New Fiction department will cease to be a dust-bowl where first-time movies are either feature rejects from the big studios...

VIDEO

NIGEL ANDREWS
Less worth seeking is Bride To Be (Precision). Stanley Baker in his last film essays the role of a Spanish landowner vying with his son for the love of a good widow...

Othello as agitprop

Not since a Round House cabaret when Vanessa Redgrave introduced a scene from the Forest of Arden with the earnest assurance that Shakespeare here was showing concern for the homeless, the dispossessed and the victims of the capitalist system...



Rudolph Walker as Othello and Kate Fahy as Desdemona

loathing of women: he spits after kissing his wife and brutally bludgeons Bianca; but Iago's tragedy, like Othello's, lies in the decline of absolute moral guidelines. Othello responds to the moral void with the unconscious arrogance of "When I love thee not chaos is come again..."

Private life on parade

The style of composition is interesting. Nichols is unashamed of treating out of context, he is assiduous; kept through the years, and this tactic pays off handsomely when we reach the painful passages concerning the birth and early years of Abigail, the first of his four children.

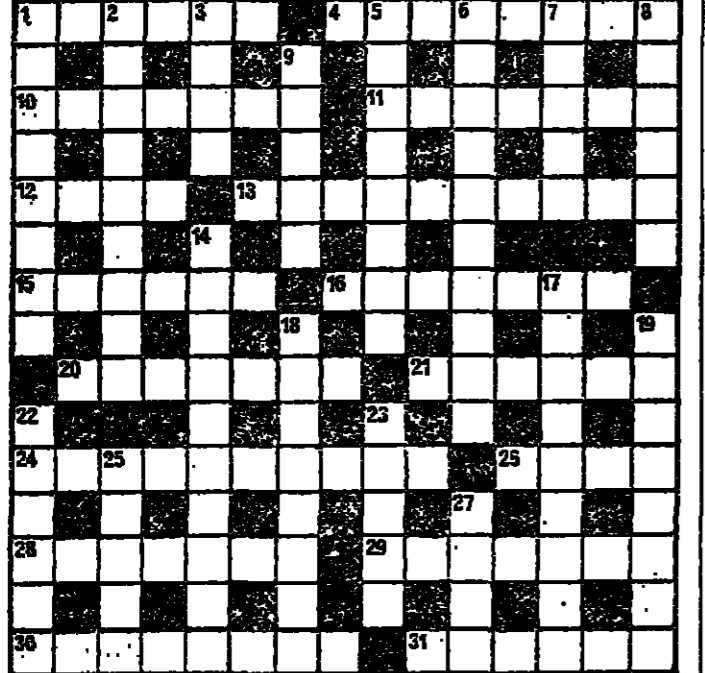
On the line

When they were debating the future of radio, we had long phone-ins on Sunday mornings on Radio 4, but I doubt if anyone imagined then that the future of radio would hold Sunday morning phone-ins on Radio 4 as a regular thing.

RADIO

man, director of this production, had no such problem to contend with. Maurice Denham had more of a chance as Superintendent Maigret in Murder for Pleasure last Saturday than he had as the Old Man in The Ride Lord.

F.T. CROSSWORD PUZZLE No. 5414



Name:
Address:

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4A 3DF.

- ACROSS
1 Tenderly hold the rest of the babies (6)
4 Assigns to a clerk when outside (8)
10 The boss went without the head pupil (7)
11 Raise a bitter and arrogant man (7)
12 Compelled to return food (4)
13 Call the teacher an M.C. (10)
15 After Rex, Dan changes the order without a definite plan (6)
16 Made half the class degenerate (7)
20 Despondent short brought about by ruin (7)
21 Anne is hopping mad (6)
24 The sportsman made another mistake (4, 4)
26 Heartless head cook (4)
27 Take gunners to the old city without N.C.O. for spits (7)
29 Show you're pleased about the girl he's following (7)
30 An imposition on the team yet help for the referee (3)
31 The actor got through a song in it (6)
DOWN
1 Only after money for material (8)
2 A tricky undertaking for the solo player (8)
3 Stagger up and look (4)

BBC 1

- 6.20-5.25 am Open University: 5.45 The Saturday Picture Show: 11.05 'Love Happy' starring The Marx Brothers. 12.27 pm Weather.
12.30 Grandstand, including 1.00 News Summary: Football Focus (12.30): Golf (1.00, 4.00): The Car Care. PIAN International from Leeds: Racing from Lingfield Park (1.55, 2.25, 2.55): The London Marathon '84 (2.10): Olympic Preview (2.20): Boxing (2.40) Archie Macpherson relates the story of the legendary Benny Lynch: Rugby League (3.10): The Stalom Lager Premiership Final: Final Score (4.40).
5.03 News.
5.13 Regional Variations (see below).
6.30 The Action Film: 'The Bridge At Remagen' starring George Segal, Robert Vaughan, Ben Gazzara and Bradford Dillman.
6.30 The Val Doonican Music Show.
9.05 Tenby And Lacey.
9.58 News and Sport.
10.10 Match Of The Day.
11.00 Saturday Late Film: 'The Omega Man', starring Charlton Heston.

REGIONAL VARIATIONS:

- WALES: 5.15-5.20 pm Sports News Wales.
SCOTLAND: 5.15-5.20 pm Scoreboard. 10.10-11.00 Sports-scene.
NORTHERN IRELAND: 12.30-5.00 pm Grandstand as BBC 1 except 3.10-3.55 Motor Racing: The BBC Northern Ireland Television meeting from Kirkistown. 4.55-5.03 Northern Ireland Results. 5.15-5.20 Northern Ireland News. 12.55 am Northern Ireland News Headlines.
ENGLAND: 5.15-5.20 pm London-Sport: South-West (Plymouth)-Spotlight Sport: All other English Regions-Sport/Regional News.
BBC 2
6.25 am Open University.
7.25 pm Saturday Cinema Double Bill: 'The Last Days of Pompeii' starring Preston Foster, and at 5.00 'Gawain and the Green Knight', starring Murray Head.
6.30 No Minister: Education Vouchers.
6.55 News and Sport.
7.10 The History Of Powered Flight.
8.05 1911: A Year In Musical History.

SOLUTION AND WINNERS OF PUZZLE NO. 5409.

Mr F. W. Marston, 33 Cliff Drive, Canford Cliffs, Poole, Dorset.
Mr Richard D. G. Reid, 18 Belgrave Crescent, Edinburgh.
Mrs A. Poynder, 8 Portland Place, Whittlesley, Peterborough.

LONDON

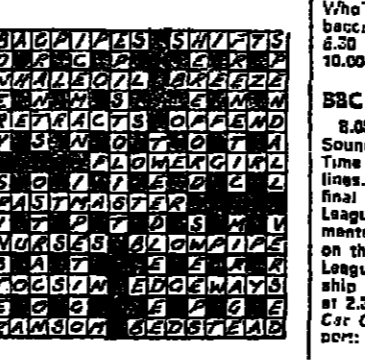
- 6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73. 12.15 pm World of Sport; 12.20 Ice Hockey from North America; 12.45 News; 12.50 On the Ball. 1.30 Rallying: The Castrol International Welsh Rally; 1.35 The Kentucky Derby: Racing from Thirkst at 1.40, 2.10 and 2.40; 1.55 and 2.25 Motor Cycling from Jarjama; 2.55 Boxing-Sugar Ray Leonard (U.S.) from Worcester, Massachusetts; plus Sylvester Mitter v Kenny Releford from The Victoria Halls. Hanley: 3.45 Half-Time Soccer Round-Up. 4.00 Wrestling: 4.45 Results.
5.00 News.
5.15 Whiz Kids.
6.00 The Grumbleweeds Radio Show.
6.30 Robin Of Sherwood.
7.30 Just Amazing!
8.15 The Price Is Right.
8.15 Tales Of The Unexpected.
9.45 News.
10.05 Norm And Away.
11.00 Afrobeat.
11.30 London News Headlines followed by The Irish RM.
12.30 am Tina Turner at the Apollo, followed by Night Thoughts with Deaconess Helen Stars.

CHANNEL 4

- 1.40 pm Manscape.
7.05 'Hansmen Also Die, with Brian Donlevy, Anna Lee and Walter Brennan.
4.25 Mama Malone.
5.00 Brookside.
6.00 Ear Say.
7.00 News Summary followed by Seven Days.
7.30 Union World.
8.00 The Leather Boys.
8.15 The Avengers.
8.15 High.
10.00 Bachanal.
10.50 Who Dares Wins... A Camping Holiday in Beirut.
11.50 Mr. Motto Takes A 'Chance', starring Peter Lowe.

S4C WALES

- 1.10 pm A Week in Politics. 1.50 London Miracles. 2.25 Feature Film: 'The Frozen Liquid'. 3.05 Yr awr lawr. 6.05 The 60s. 7.00 Where in the World? 7.20 Newyddion. 7.45 Menter. 8.00 The 80s. 8.15 High. 8.15 Highlights of F.A. Trophy Final. 9.45 Survive. 10.45 It Takes a Woman. 11.15 Feature Film: 'The Bowery'.



REGIONS

- 15A Regions as London except at the following times:
ANGLIA
11.30 pm The Years Ahead.
12.30 pm The Marches. 12.35 am At the end of the year.
BORDER
9.25 am Once Upon A Time-Man.
9.30 Sports. 10.00 The Fitzwilliams. 11.30 pm The Fugitive.
CENTRAL
9.25 am The Wonderful World of Professor Sprocket. 11.30 pm Superstars of Music: Aretha Franklin.
CHANNEL
9.25 am Thunderbirds. 10.20 Puffin's Playtime. 12.14 pm Channel Islands Weather. 5.10 Whiz Kids. 5.05 Puffin Playtime. 11.30 Music Special (Rita Coolidge).
GRAMPIAN
9.30 am Noddy. 9.45 The Smurfs. 10.10 Unicorn Tales. 12.30 am Reflections.
GRANADA
9.25 am Sesame Street. 10.20 Cartoon. 11.30 pm The Late Film. 'The Only Girl In The Class' starring James Garner and Katherine Ross.
HTV
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.25 pm The 60s. 11.30 pm The 80s.
SCOTTISH
9.25 am Hales and Estelcher European Football. 9.35 Happy Days. 10.00 Sport: Billy. 10.25 The Cammies Show. 11.00 Late Call. 11.35 Casa-blanca.
TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.25 pm The 60s. 11.30 pm The 80s.
TVS
9.25 am Scooper and Blabbae. 9.35 The Smurfs. 10.00 Batman. 12.12 pm TV5 Weather. 11.30 Jazz-Astro and Flora Furnell. 11.35 Comedy Tonight. 12.30 am Comedy.
TYNE TEES
9.25 am Morning Glory. 9.30 Tarzan. 10.25 pm The 60s. 11.30 pm The 80s.
ULSTER
9.25 am Scooper and Blabbae. 9.35 The Smurfs. 10.00 Batman. 12.12 pm TV5 Weather. 11.30 Jazz-Astro and Flora Furnell. 11.35 Comedy Tonight. 12.30 am Comedy.
YORKSHIRE
9.25 am Regional Weather Forecast followed by Carron Time. 9.35 Album. 10.00 Concert. 11.30 pm The 60s. 12.30 am Comedy.
RADIO 1
(5) Stereo broadcast
9.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Who's That Girl? (5). 2.00 Paul Gambaccini. 3.00 Chris. 3.55 Ulster Show. 11.30 Sports Results. 11.35 The Saturday Club. 11.55 The News. 12.30 am News At Six.
RADIO 2
(5) Stereo broadcast
9.00 am David Jacobs (6). 10.00 Sounds of the Sixties. 11.00 Album. Time (5). 1.00 pm The News. Huddlines. 1.30 Sport On 2-Football: The final Saturday of the Canon Football League season with second-half commentary at 2.55. Cricket: Commentary on the Benson and Hedges Cup; Rugby League: Commentary on the Premiership Final; Racing from Lingfield Park at 2.30 and 3.00. Golf: Coverage on the Car Care International; 9.00 Sports Report. 5.45 Classified Racing Results.

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How we found a sense of direction

THERE IS a strange fascination about directories. Even the Yellow Pages reward a browse, revealing such fascinating sidelights on commercial life as that there are three toast-masters, one sheep-breeder, one Christmas Cracker maker, a wharfinger, four wheelwrights and a round dozen trichologists in the London telephone area.

Directories from the eighteenth and nineteenth centuries — and even those published as recently as thirty or forty years ago — provide incomparable insights into the changing social life and topography of our cities. For the collector of any artefacts that were commercially manufactured or sold, they have a special value as research tools to date makers and retailers.

As a book collector, directories have two major advantages. The first is that they are frustratingly few and far between, constantly replaced and out-dated by new editions, directories are of their nature ephemeral. The second is their size. A run of London Post Office directories is as weighty as the most intractable bibliophile is inclined gratefully to leave the job of preserving them in any number to public libraries.

London, inevitably, has a longer history of directories

than any other city in the world; when the collector Charles Goss produced his bibliography of them, half a century ago, he discovered that 234 had been printed in the years between 1877 and 1855. The supreme prize for the collector, of course, would be the earliest of these, Sam Lee's *A Collection of the Names of the Merchants Living in and about the City of London: Very Useful and Necessary*.

Lee's initiative was not followed up for more than half a century, until Henry Kent, of Finch Lane, Cornhill, published in 1734 *The Directory; or a list of principal traders in London*. This was to continue, with such improvements and additions as coach time-tables, through 86 editions, until 1828.

The early directories merely offered lists of names; only towards the end of the eighteenth century came the addition of addresses, and later of classification by trade or profession. Addresses, indeed, in the formal sense, did not exist before this time. The revolutionary innovation of giving houses numbers did not occur until the early eighteenth century; and credit for the invention must go to the residents of Prescott Street, Goodman's Fields. About the same time the Inns of Court and Chancery also took to

COLLECTING

JANET MARSH

numbering their houses, and other enterprising squares and streets began to follow suit. Finally in 1765 an Act of Parliament enjoined the installation of names plates at the corner of every street, square, or lane; and the numbering of houses.

At the turn of the nineteenth century the Post Office began to issue its own directory. In 1837 the copyright was acquired by a Mr Frederic Kelly, who, within a few years, had turned the directory into the monumental production it remained throughout the nineteenth century — getting on for a stone in weight, more than three thousand pages in length, and with hundreds of pages of advertisements illustrated with proud woodcuts showing off all the latest consumer goods and technological developments.

The trades section of a Victorian Kelly's offers an incomparable panorama of the times. Craft trades still flourished; there are pages of Bookbinders, Carters, Carpenters. At the same time new technologies were making inroads. The iron trade

is wide ranging, and there are as many headings under "Telegraph" in an 1870s Kelly's as there are under "Computer" in a 1980s Yellow Pages—Telegraph Agents, Telegraph Companies, Telegraph Engineers, Telegraph Instrument Makers, Telegraph Pole Manufacturers, Telegraph Submarine Cable Manufacturers, and so on, as endlessly as enthusiastically.

The Directory lists side by side, in that London of a century ago, dung merchants and carriage lace makers, soot dealers and chignon makers, purveyors of spangles and linseed, suppliers of coachmen's wigs. Medical assistance includes leech importers and the patentees of the improved flexible artificial nose. At a more domestic level there are dolls' boot makers, and the Misses Warburg offer their services as "basinette trimmers". Whatever, though, was the nature of work of a scum boiler, a morocan manufacturer or a rout furnisher? Kelly's is a remarkable witness to an age of cheap and plentiful labour, with men for all work.

Still, the Yellow pages have the edge on the old Kelly's in one or two respects: among all its multifarious tradesfolk Victorian London could still not muster a sheepbreeder, a trichologist or even a solitary toastmaster.



The Indian Hall at Elvedon Hall, in Norfolk, remembered by Lady Fingall in her memoir "Seventy Years Young" as the coldest room in England, will be the scene of unaccustomed activity next week when over 2,500 lots of furniture, pictures, porcelain, silver, books and textiles go on show to the public prior to the four-day auction, organised by Christie's which starts on May 21.

Elvedon, the property of Lord Iveagh, has not been lived in by the family since 1939. During the War it was a planning centre for the U.S. Army. The contents have been under wraps for almost forty years and, while containing no outstanding works of art, reveal the collecting interests of late Victorian and Edwardian England. They are expected to bring in more than £2.5m.

The agony and the ecstasy

THE STREETS of London will reverberate tomorrow to the sound of 21,142 pairs of feet in the world's largest marathon, accompanied by the noise from a street party of gargantuan proportions.

The London Marathon, after only three years, has become a unique sporting institution. Like the Derby, Wimbledon and the FA Cup Final it is a sporting celebration with its own ritual and atmosphere and inspiring displays from the spectators that rival those of the participants.

The size of the Marathon defies one to ignore it: 21,142 accepted entries of whom 3,210 are female; a million spectators will line the route. For the first time there is to be continual live television coverage and it will be the country's largest outside broadcast operation—the BBC expects over half the homes in Britain will tune in.

The marathon is three races in one. First, the elite, the top athletes with an eye to a place in the Olympic marathon team, then the club runners who kept road-running alive in its pre-war days.

Third, the biggest section, the fun runners and joggers. They are the crowd-pleasers giving the race its carnival atmosphere.

Why do they do it, why this passion to run over 26 gruelling miles?

The truth is there will be over 21,000 different reasons. Most runners speak of the sense of achievement, even though it can be transitory. They point to the perverse enjoyment to be had, in spite of the pain.

Above all, they will say running 26.2 miles is one of the high points of their lives. I would add to this the camaraderie (this morning runners from across the world will meet for a breakfast run in Hyde Park, organised by the Serpentine Running Club).

I like this image of the individual runner setting out on an expedition of discovery and personal fulfilment. Yet it doesn't offer a satisfactory explanation for the worldwide record marathon fields, still less the persistence of this popularity.

More to the point, running

What makes us run? PHILIP HALLIDAY reports as he limbers up for his third London Marathon

becomes a way of life to many of those who set out on that first tentative jog. The running phenomenon, part of the modern fascination we have with our bodies. Running offers fitness, health and a rhythm to life.

Most women take up running to lose weight, men, as an insurance against poor health. The routine of training can become a fix, the marathon the obvious culmination and ultimate goal.

On the eve of my 10th marathon I still can't say why I do it. After each of my previous runs I have always said: "That was my last."

I love running, but racing isn't so sure about. For me it's nice once it stops, rather than being your head against a brick wall. Perhaps runners are, after all, just plain crazy and the marathon is a procession of the insane.

As this is Olympic year the elite race has added piquancy. The men must aim to finish among the first three and beat the times that Hugh Jones and Geoff Smith have set, if they are to be sure of qualification for Los Angeles.

That means heating at least two hours 10 minutes. However, the London course is flat and fast so the winning time is expected to be extremely good.

The pre-race favourite is last year's winner Mike Gratton, in spite of a back injury which impeded his winter training. Hugh Jones and UK record holder Geoff Smith won't be there — they are relying on recent good performances in Chicago and Boston to impress the selectors.

Chris Brasher, one of the organisers, predicts a winning time for the ladies' race in the region of 2 hours 34 minutes. British girls hoping to qualify for the Olympic must aim to beat Joyce Kilmer's time of 2 hours 35 minutes, set last August, and finish in the first three. A feast of quality running seems assured.

Success with cuttings

EVERYONE knows that many plants can be increased by cuttings or slips: pieces of stem, cut or stripped from the plant and inserted in moist compost or even, occasionally, stood in a jar of water in which time they will form roots. It is an invaluable way of propagating many plants and has the advantage over seed that the cuttings reproduce in every minute detail the characteristics of the plant from which they were taken whereas seedlings, even from the most true breeding varieties, invariably show some variation.

The ability of a stem to make roots is in part dependent on the presence of chemicals known as auxins or plant hormones. These are produced naturally and they appear to vary in concentration and effectiveness with the state of growth, being in general most active when the plant is growing strongly or has reached the peak of growth some time in summer and diminishing when the plant is at rest in winter. This does not mean that cuttings cannot be rooted in winter but that they will almost certainly take longer then and there will be a greater degree of uncertainty.

From now until September is a good time to root cuttings of many shrubs and a few herbaceous plants though in general the latter are easier to manage in spring. The best period for shrubs is probably July and early August but there are great differences between kinds of plant conditions available for rooting.

If a propagating frame is available that can be warmed from below to give a soil temperature of around 60-65 degs F root formation is likely to be both quicker and more certain. A substitute for a frame is a polythene bag slipped over a flower pot containing the cut-



GARDENING

ARTHUR HELLER

tings and held close to the pot with a rubber band. Or a simple propagator can be made with a box 6-8 in deep, one third filled with compost in which the cuttings will be inserted or into which small pots containing the cuttings can be plunged, with a sheet of glass placed on top or a piece of polythene film stretched across the top and held in place with drawing pins.

The object of all these devices, from the simplest to the most sophisticated, is to reduce the movement of air and to maintain a very moist, still atmosphere in which there will be minimum loss of water from the cuttings. Without this precaution they may flag and collapse before they have time to root. In autumn, when the leaves have fallen from deciduous shrubs and the atmosphere is much cooler and moister, it is possible to root many cuttings outdoors without benefit of a propagator but the rooting time is to be reckoned in months not weeks and the risk of loss from attacks by fungi and pests is greater.

In most plants the hormones that promote rooting are produced most abundantly close to the joints where leaves are, or were, attached to stems. This is why it is advised that cuttings should be severed just below a joint so that roots are formed at the bottom of the cutting and there is no piece of unrooted stem left below this point to die, decay and possibly infect the rest of the cutting.

The natural hormones produced by plants can be

stimulated artificially and two chemicals, indole acetic acid (IAA) and naphthyl acetic acid (NAA) have been used for many years for the pre-insertion treatment of cuttings with varying degrees of success.

For the convenience of home gardeners formulations of IBA or NAA have been made with talc powder to be used dry, the base of the cutting being first wetted, then dipped in the powder so that some sticks to it and finally inserted in the rooting compost. There are two drawbacks to this, one that most or all of the powder may be rubbed off as the cutting is pushed into the compost, the other that, during storage, the hormone may separate from the talc and so not stick to the cutting at all. This is why professional growers prefer to use rooting hormones in liquid form.

A great deal of experimental work is still being done on these matters, some at the Oregon Agricultural Experiment Station in the U.S., some at the Experimental Horticulture Station at Lynton, Hampshire. The Eford work has shown that it is more satisfactory to use the potassium salts of IBA or NAA than the free acid and the American experiment that minute quantities of boron often increase effectiveness.

These findings have now been made available in a new British rooting hormone called Synergol which has been used very successfully by professional propagators including those at the Royal Horticultural Society's Wisley garden. This is being sold mainly in 1 litre bottles far too large a quantity for most home gardeners.

But I was recently able to obtain a small phial for experimental purposes from Silverpearl Products of Harrogate and this is available by mail order from this firm who are the distributors of Synergol. It contains 0.5 per cent potassium salt of both IBA and NAA, plus a fungicide and boron and is intended for dilution with water at rates of 1 to 8 for softwood (spring) cuttings and up to 1 to 16 for hardwood cuttings. It should be of interest to all gardeners who take their plant propagation seriously.

Well worth waiting for

THE RIVER TEST opened on May 1 and as usual there was a howling north-east wind and no fly on the water at all. I walked round my best which on that day was one of the most open on the water and saw a minority of grayling nymphing and no trout at all in the main river. On the side carrier things could have been a bit more hopeful. I saw a few large fish sliding ahead but they had obviously spotted me first.

The water was quite extraordinarily clear for the time of year and in most stretches I could see well to the bottom without poll polaroids. It was also very low indeed and the banks which are often flooded until mid-summer were so dry that I did not even need my rubber boots. This water level bodes ill for the rest of the season because it is very unlikely that there will be enough rain to refill the aquifers in the chalk before next winter. The water level in the bournes that feed the Test are already dropping quite fast.

In conditions like this one has to make up for the lack of fly by knowledge of where a fish might be. These are usually in little runs under the bank facing the wind. There a fish can usually find fly drifting down which have been blown across the river while hatching. I floated an iron blue down several of these without success

FISHING

JOHN CHERINGTON

and then while I was watching the first brood of duck of the season a fish took the fly but before I could come to my senses it had shaken itself off the hook.

No doubt a keen fisherman would have struck hard and caught it but my reactions are so slow that my fish have either hooked themselves or fallen off before I'm aware of their presence. My belief is that the speed of a trout taking the fly is far faster than I can telegraph the instructions from my eye to the rod. The best I can do is gently to tighten the line by lifting the point of the rod.

I know that some anglers take great satisfaction in striking violently but I doubt if they catch many more fish and they probably frighten a few around the intended victim. To say nothing of entangling with the vegetation behind them.

I had great hopes of my next best which is the carrier lying behind the stews. It's very shallow this year because of the reduced water flow. Nevertheless a large number of fish have made their way up to it so that they can enjoy the waste feed from the rearing ponds. Or it may be the homing instinct drawing

them back to their birth place.

But you must understand that they are not easy meat for the duffer although I would call this can be transitory. They point to the perverse enjoyment to be had, in spite of the pain.

The truth is there will be over 21,000 different reasons. Most runners speak of the sense of achievement, even though it can be transitory. They point to the perverse enjoyment to be had, in spite of the pain.

Above all, they will say running 26.2 miles is one of the high points of their lives. I would add to this the camaraderie (this morning runners from across the world will meet for a breakfast run in Hyde Park, organised by the Serpentine Running Club).

I like this image of the individual runner setting out on an expedition of discovery and personal fulfilment. Yet it doesn't offer a satisfactory explanation for the worldwide record marathon fields, still less the persistence of this popularity.

More to the point, running

BRIDGE

E. P. C. COTTER

IN THE MAJORITY of hands the declarer is faced with the problem of finding an extra trick for his contract, and he will be successful only if he knows where to look.

In my first hand from rubber bridge the declarer was anxious to find some way of increasing his chances:

N ♠ 9 7 5 4 3
♥ 9 8
♦ 8 6 3
♣ 9 6 2

E ♠ 8 6 3
♥ 6 5 3
♦ J 10 4 2
♣ K 5 5

W ♠ A K Q J 10
♥ 8
♦ 8 3
♣ Q J 10 3

S ♠ A K Q J 10 7 4
♥ A Q 9
♦ A 7 5

With both sides vulnerable, South dealt and bid two hearts — many players would bid two clubs — West came in with two spades, and after two passes

spades, the declarer ruffed with his ten of hearts — mere routine technique for any expert — and summed up the position. He had nine top tricks, and the tenth could come from the diamond finesse, but in view of West's overall the King was likely to be offside. Then South recalled an Olympic hand which he had played many years previously, in which a suit of Ace Queen, king in dummy had been the key factor.

Crossing to the table via the heart eight, he led a diamond and finessed the nine, after the two had appeared on his right. When this drew the King from West, the ten tricks were assured. Note that it does not help East to split his honours, and provided that South has created a second entry to the table by ruffing high trick one, as the declarer did on this occasion.

If the diamond nine loses to the ten or Knave, the declarer crosses to dummy, and finesses the diamond Queen. Two changes are better than one, and creating extra chances is what dummy play is all about.

My next hand comes from a team match. A small slam was reached in two rooms — one declarer knew where to look for twelve tricks, the other did South jumped to four hearts.

When West led the Ace of spades, here is how the cards were dealt by South at love all:

N ♠ J 10 8 7
♥ A K J 9
♦ 6 4
♣ Q J 3

E ♠ A 4 3
♥ 8 7 2
♦ K 9 7 5
♣ 7 2

W ♠ 10 6 5 3
♥ 8 3 2
♦ 8 6 5 4

S ♠ K Q 8 5
♥ 4
♦ A Q J 10
♣ A K 10 9

South bid one diamond, North replied with one heart, and raised the opener's rebid of one spade to four spades. North now said four no trumps, and went to six spades after North's response of five aces.

Both Wests led the heart three, dummy's Ace won, but then the play diverged. In one room the declarer led the spade seven from the table. This won, and a second spade lost to the Ace. East made a good psychological return of the diamond nine, forcing South to make an early decision. Concluding that West had the King, South took with his Ace, drew the last trump, and cashed four clubs, discarding dummy's remaining diamond. He then took a ruffing finesse through West, but East had the King, and the slam was lost.

The other South had no intention of relying on the diamond guess. At trick two he ruffed a heart with his trump Queen, and returned a trump to the seven and Ace. East switched to a diamond winning with his Ace. South crossed to the spade ten, ruffed another heart with his last trump, the King, entered dummy with a club, drew the last trump, and claimed.

CHESS

LEONARD BARDEN

AS OFTEN HAPPENS with well-planned but occasional something went awry. Tournament director Stewart Reuben had sounded out Karpov and Korchnoi beforehand about shaking hands before their Phillips & Drew/GLC game at County Hall and so ending a decade of frigid hostility. Both agreed without demur. Karpov in his blue suit, carefully writing the players' names on his score-sheet then walking away from the board. His chair backed towards the entrance, and he wanted to see Korchnoi arrive.

The minutes ticked past, but no Korchnoi. Organisers consulted watches, cameramen shuffled position. Karpov's aides were already prickly: once again the defector had snubbed the Soviet king. Clocks were set in motion, Karpov moved 1 N-KB3. A commotion at the door: enter a breathless Korchnoi, angry that he had got lost in the labyrinth of County Hall and unable to find a lift. The small point forgotten in the planning was that it was Saturday so that the entrance which led directly to the tournament was shut and players and spectators had to take a longer route.

Korchnoi sat down, rummaged in his briefcase, adjusted his glasses (not the mirror variety today) and scribbled the names on his sheet. Behind his back Karpov peered from the stage wings until Korchnoi had settled himself and pushed out his own knight. Karpov returned to the board, Korchnoi eyed him up and down for a second, then stood up. Hands advanced simultaneously for the first time since Botvinnik 1978. Camera flash, the capacity audience burst into applause and kept it up for half a minute. Where Karpov resumed where he left off at Merano when he won in crushing style. White: A Karpov (USSR); Black: V. Korchnoi (Switzerland).

Grünfeld Defence (Phillips & Drew/GLC 1984).

1 N-KB3, N-KB3; 2 P-B4, P-KB4; 3 N-B3, P-Q4; 4 P-Q4, B-N2; 5 N-N3, N-K3; 6 P-P, N-N3; 7 N-N3, P-K3; 8 N-B3.

Chess

LEONARD BARDEN

White concedes the bishop pair, locks the centre, and aims for a P-QN4 minority attack. Black's Q-side Solid, centralising play keeps the balance for Black, but quite likely Karpov had already assessed his opponent's psychology. Korchnoi was without a win in the tournament and appeared preoccupied by his meeting with the champion. Thus it was likely he would force the pace, so Karpov chooses a variation where over-active play weakens the black game.

10 P-QN4, B-K3; 11 B-K2, N-Q2; 12 O-O, P-KB4.

Korchnoi goes for broke, the tension rises. On his score sheet the top stroke of his "f5" (the algebraic notation for P-KB4) is elongated twice its usual distance. Karpov's script shows a distinct wobble at this point, after which he impeccably beat for the earlier moves. Less provocative for Black is P-QB3, Q-K2, and KR-K1, with a later B-KB1 to help neutralise the Q-side threats.

13 R-K1, P-KN4; 14 R-QB1, KR-1; 15 B-Q3, P-B3; 16 P-N5, P-N3; 17 N-Q2, P-B4; 18 P-P, N-P; 19 N-N3!

Forcing exchanges which diminish Black's attack, and setting up an outpost at Q4 to aid White's strategic plan. Karpov wants to exchange light-square bishops so that his knight can switch to KB4 and threaten Q5, K6 and KN6.

19...N-N3; 20 P-N, R-B1; 21 N-K2, R-B1; 22 P-N3; 23 N-B4, B-N1; 24 P-N3, P-Q5; 25 B-B4!

According to programme, Korchnoi's counter against White's KB2 proves insufficient.

25...R-B1; 26 Q-N1, P-P; 27 KR-1, Q-B4; 28 Q-K1, B-Q5; 29 R-K2, B-B3; 30 P-B, R-KN1; 31 Q-QB1, R-QB1.

A tact offer to draw by repeated moves.

32 Q-B2, B-N2; 33 Q-Q3, Q-Q5; 34 Q-P, Q-QB3; 35 R-K7.

Starting the final attack, with Korchnoi's acute short of time Black's next is a desperate trap: if 36 N-K8? R-Q8 ch and mate.

35...R-Q1; 36 K-N2, Q-N8; 37 Q-P, R-KN1; 38 N-N6 ch; Resigns.

Korchnoi shook hands again, signed the score sheets, and departed the stage looking grim. Karpov, flushed and smiling, was congratulated by his aides and left for a demure celebration — tea in the Phillips

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The Boycott and Botham bonanzas

BOYKOTT AND Botham are the two best known and, in their very different ways, the two most controversial England cricketers.

TREVOR BAILEY reports on the special perks for great Cricketers

Botham, after nine years as a capped player with Somerset, has been granted what will undoubtedly be a bumper benefit, and Boycott, after 20 years with Yorkshire, has been awarded a testimonial. Boycott's benefit was in 1974 and raised £20,839. In spite of the fact that, or perhaps because he has managed the seemingly impossible of splitting Yorkshire cricket lovers into two factions and forcing the club committee to bow down before him he could well quadruple that figure.

A Boycott bonanza would be in keeping with the present massive, professionally marketed benefits. These really began in the late 1970s and are illustrated by what happened to Essex skipper Keith Fletcher, whose benefit in 1973 was worth £13,000, but whose testimonial in 1982 raised over £82,000.

What is the difference between a benefit and a testimonial? A benefit is given to some county cricketers for their services to the club over a number of years. Originally it was intended to provide them with financial security when they retired from the game.

Since World War Two a benefit has normally been awarded after 10 seasons as a capped player and a testimonial after 20.

A benefit is not included in a player's contract, is not guaranteed, but reasonably automatic, and is untaxed. This last considerable advantage stems from the case of James James Seymour, a Kent professional and the Inland Revenue, who claimed tax on the proceeds from his 1920 benefit match.

After a long and protracted action, judgement was eventually obtained in favour of the cricketer in the Lords in 1927. I have always assumed that MCC members.

Originally a beneficiary was allocated a county match by his committee from which he received all the proceeds, less the expenses. It therefore made a considerable difference for which county one played.

Until recently Botham as a Somerset player could not possibly have had a benefit which could approach in size that of a Yorkshire player, because the home gates were so much smaller. The great George Hirst's benefit match in 1904 produced £3,703 and the largest benefit before the last war was for Roy Kilner in 1925 which made over £4,000.

The resumption of first-class cricket in 1946 brought enormous crowds and record

benefits. Bill Bowes received £8,000 in 1947, Denis Compton £12,200 in 1949 and Len Hutton £9,700 in 1950, but the most magnificent was Cyril Washbrook's in 1948 which topped £14,000.

When the gates for county games began to drop significantly in the mid-1950s the value of a benefit match correspondingly decreased and beneficiaries turned to other forms of fund raising.

So in the 1960s John Edrich obtained over £10,000 without one. This decline in the importance of the benefit match has meant that a player no longer has to be a member of one of the major cricketing counties to do extremely well.

It obviously helped to be in a county with a large population, but the most important factors are a first class secretary, an energetic committee and to have pooton tickets well distributed. These usually provide the biggest source of revenue, often as much as 40 per cent.

Somewhat surprisingly, Jack Simmons, a good county cricketer who would have made a splendid captain of Lancashire holds the record benefit, with £128,000.

However, having studied Ian Botham's benefit itinerary and knowing his tremendous performances for England and Somerset, I expect this figure to be comfortably exceeded. Ian's extensive programme which began with a dinner and auction on April 7 and ends with a star football match on October 31 contains some 75 events and these are spread throughout the county.

This week he linked up with Boycott for a heavily sponsored game in Cheshire and further financially successful double acts by the two Bs are scheduled.

Ian's list of events is extremely varied, including no fewer than five pro-am golf tournaments, a floodlit cricket match against the West Indies visitors, several discos, a fashion display, a number of celebrity concerts, a boxing night, a fishing match, numerous games of cricket and an enormous number of dinners.

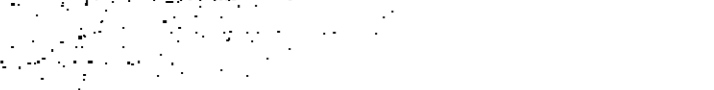
One of his greatest attributes as a cricketer has been his exceptional stamina. He will certainly need this to cope with that itinerary, without taking into account the runs, wickets and catches he will be expected to make, take and hold.

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Return of the poltergeist

FROM time to time, ever since the Herstatt crisis a decade ago, the huge international credit structure which grew up in the 1970s has been haunted by ominous creaks and thuds and ghostly warnings, like a financial House of Usher. These times can be recognised by a tendency in the markets to give more credence to rumours than to government spokesmen, by a flight into quality—a widening between the interest payments on commercial and official deposits—and, more recently, by heavy hedging in the futures markets.

In the past week, these symptoms have reappeared quite unmistakably. This is not, at this stage, anything like a major crisis, such as the U.S. markets suffered two years ago. It could yet blow up further, though; uncertainty has a tendency to feed on itself, and some participants view a crisis with more hope than fear.

Meanwhile, we have already seen the London market drop more than 5 per cent a week, taking no notice at all of reassuring remarks from the Chancellor, while New York has paid a goodly little heed to Mr Donald Regan's reassuring remarks about interest rates. The futures markets are showing heavy discounts on both equities and bonds.

The rumours are so far entirely American. Continental Illinois, a large bank which has never recovered the esteem it lost in 1982, has been at the centre of them. There are worries, too, about the health of some of the market-makers on which Wall Street depends for its functioning. The bond houses, which take up U.S. government and corporate offerings and sell them on to retail investors, have been finding stock piling up on their books unsold, and standing at a heavy loss.

Intensive care

This week's gloomy bond auction represented their attempt to recoup by buying stock cheap; but prices have not recovered as they hoped. It will be more than ironic if the system of primary or wholesale dealing market-makers should fall prey to strain in New York just as we are preparing to set up a similar system in London (where the gilt jobbers seem equally determined to obtain official tap stocks at bargain prices).

Finally, of course, the worries about international debt have revived in step with the interest rates which the debtors cannot pay.

None of these developments should surprise the sophisticated investor, for it has been clear for years rather than months that real interest rates near the 10 per cent level are simply unsustainable in the long run. Only consumers, who may have to tighten their belts,

and governments, who can impose the same pain through taxation, can meet such demands in reality. Only the most successful industrial projects can earn such returns. More exposed borrowers, be they developing countries or American public utilities, cannot pay such rates. If the demands are too long sustained, some debtors are likely to collapse, taking some of their bank creditors with them. This familiar nightmare explains why the markets so obstinately hope that interest rates are on a long-run falling trend—and perhaps why the London equity market took so long to wake up to the quite different realities in New York.

What produces the hauntingly eerie effect is not this underlying fear of what can be managed in the long run, but the fear that current rates cannot be endured even in the short run—the "margin borrower" (the bank) there are not enough long-term investors to finance the U.S. deficit.

Since this is predominantly a dollar problem, the weak and long to wake up to the quite different realities in New York. This is exactly what was happening until quite recently. The dire warnings of Mr Paul Volcker, the chairman of the Federal Reserve, sent U.S. interest rates up, and led to heavy selling of the dollar in forward markets as foreign investors hedged their positions.

What internationalised the problem was not so much any new horror in New York (though Mr Volcker's dark warning a month ago that Congress had only a couple of weeks left to tackle the deficit now looks prescient). It was a loss of self-confidence in Europe. Our own coal strike, and the much more unusual threat of a major wave of strikes in Germany, sent investors back into the dollar. The rise in the dollar unfortunately tends both to intensify the pressure on debtors, making failure less probable, and tends to indicate the U.S. money supply, as investors sell to foreigners.

But what is sustaining the high level of real interest rates which leads to bouts of alarm such as we are suffering at present? At bottom, it is the problem which has haunted us ever since the first oil shock—inflation psychology. The eager demand for new loans at what are very onerous terms if inflation indeed remains subdued, as both Mr Regan and Mr Lawson forecast, makes sense only if the borrowers think inflation will rise; and, indeed, there is some evidence from polls of consumers and industrialists that they do. The crises which may discourage such light-hearted borrowing are really part of the protracted cure. Whoever expected medicine to taste nice?

WALK INTO any Wall Street trading room and one of the first impressions will be the bank's of video screens stacked up on the dealers' desks.

On some there is barely enough room to set down a coffee cup amid the electronic wizardry, the telephones and the still omnipresent scraps of paper.

This is the hard-nosed age of the computer terminal and the ever-blinking video screen behind which lies the sometimes elusive, but rapidly-expanding, electronic financial information industry. By some definitions it is already worth well over \$500m a year in the U.S. alone and is projected to quadruple within the next five years.

Its customers, once confined almost exclusively to the trading floors and back offices of big Wall Street brokerage houses, have expanded in step with the official and back-door deregulation of the U.S. financial services industry. Equally significantly, current customers probably represent "only the tip of an iceberg."

The basic business of the industry is to deliver worldwide and, in the jargon of the industry, "real time" (which means immediate) market and non-market financial or business information to the offices and, in some cases, the drawing rooms of an increasingly diverse and sophisticated investor community.

Over the past few months a series of separate announcements has focused attention on this existing and expanding industry.

Reuters, which has a niche in the U.S. market, announced plans to go public and clearly intends to go for a bigger share of it.

● Telerate, the 15-year-old U.S.-based company which is majority-owned by Exco of the UK and which went public a year ago and is Reuters's chief rival in the U.S., reported continued phenomenal growth in subscribers, revenues and earnings.

● IBM and Merrill Lynch announced plans for a joint venture which promises by early 1985 to provide a wide range of market, financial information and news to anyone owning an IBM personal computer and willing to pay for the service.

If the ML/IBM service materialises on time it will be revolutionary. It will do what almost every other player in the market is edging towards—bridging the divide between the "dumb" retrieval of news, exchange quote and other market information and providing these services on an "intelligent" terminal or personal computer capable of manipulating the information and contained in a package which would also include other office automation products such as word processing and data management.

"I find it difficult to believe it is competitive," says Mr Milton Mohr, president of Quotron which has just introduced a new advanced multi-purpose system of its own called the Quotron 1000. "I think it will be years before ML/IBM could catch up. We have a dominant position

And all this is still just the beginning...

Paul Taylor in New York on the fast-changing U.S. market

and we are going to keep it." "We will have something comparable or better before then (IBM)," says Mr Nick Cardell, a vice-president and general manager at Bunker Ramo. "The system is very ambitious and I don't believe it can be implemented in that time." Quotron and Bunker Ramo, a subsidiary of Allied Corp, are two of the major suppliers of electronically delivered stock price information.

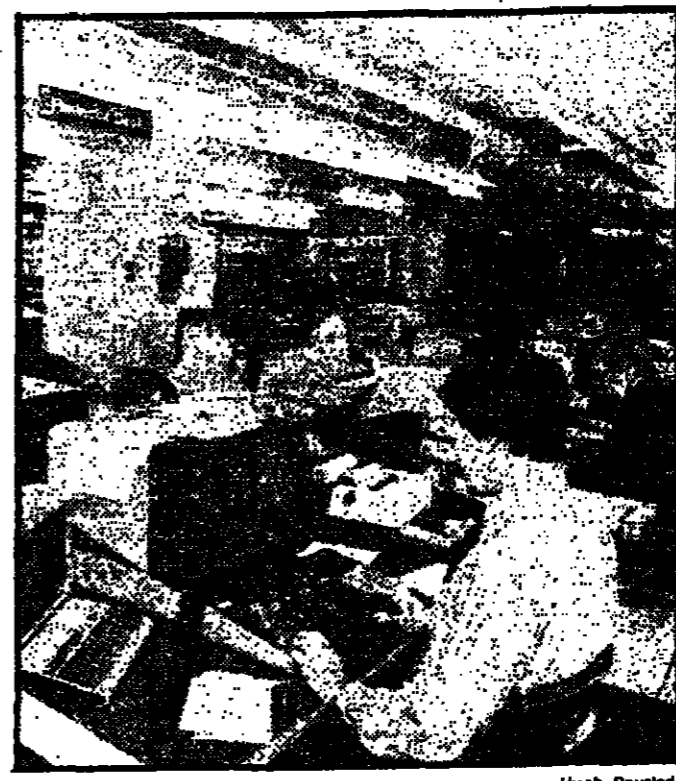
● Dun and Bradstreet, already a major supplier of credit and company financial information in the U.S., agreed to buy business information suppliers in West Germany and this week Datastream in the UK. Meanwhile the Dow Jones company has extended its on-line database making the full text of the Wall Street Journal available on a computer screen the same morning of paper publication.

These developments represent different aspects of a fragmented, but radically changing

industry, which nevertheless is gradually consolidating. Historically the electronic financial information industry has been dominated by firms supplying a basic service consisting of general market information—particularly stock quotes prices obtained from exchanges and a sprinkling of "dealer" price information.

This segment, almost exclusively delivered until recently to brokerage firms, is dominated in the U.S. by three companies. Quotron, which has about 60,000 terminals and about two-thirds of the market, Automatic Data Processing (ADP) and Bunker Ramo.

The second, and as Telerate is at pains to point out, entirely distinct, industry segment comprises those companies supplying price, other information and news from those markets such as the credit, money and foreign exchange markets which have no single centralised trading



Reuters newsroom in London Hugh Routledge

A third and still more loosely defined segment, consists of those companies like Dun and Bradstreet and Dow Jones which provide "business information" electronically, and by other means. Their services are sometimes packaged together with those of other industry suppliers to provide a more complete service to the expanding and information-hungry financial services industry.

Despite these differences there are some common trends within this emergent U.S. and world-wide industry.

Services are being "broadened out" with highly profitable optional extras which increasingly blur segment boundaries; for example it is possible to receive Quotron stock quotes on a Telerate monitor or the Dow news wire on Quotron.

The existing U.S. and international markets are "nowhere near saturated," according to Telerate. New customers are being found for the services because of deregulation in the U.S. and internationally.

One of the major thrusts of the big players in the U.S. market is to expand overseas as the markets left by foreign exchange and credit become truly 24-hour markets. At the same time the range of services supplied is expanding in line with the number of new financial instruments generated by imaginative market players.

It is anyone's guess where the market is heading towards automation and "live" customer access will end. Already Telerate and other vendors are offering hand-held bond and stock price terminals, Dow Jones and others offer computer voice quotations accessible using the telephone dial as a computer keyboard. Citibank, part of its homebase "armchair" electronic banking package, offers the Dow Jones news service which provides 15-minute

One company called Instinet has dispensed with intermediaries altogether. Using Instinet's system it is possible to track and trade stocks using a computer without ever picking up the telephone—and the whole deal is confirmed on paper in seconds.

REUTERS GEARS UP FOR ITS BIGGEST CHALLENGE YET

REUTERS could hardly have served Fleet Street up with a better news story if it had tried.

Glamour, big money, an all-time "first," even a good old-fashioned row: all have featured in its decision to go public, an event which moves towards its climax next Wednesday when details of the deal are expected to be announced.

Three weeks later, on June 4, shares will start trading simultaneously in the UK and U.S., the first time this has happened and a feat which Baron Paul Julius de Reuter, the pious-but-king himself, would surely have applauded.

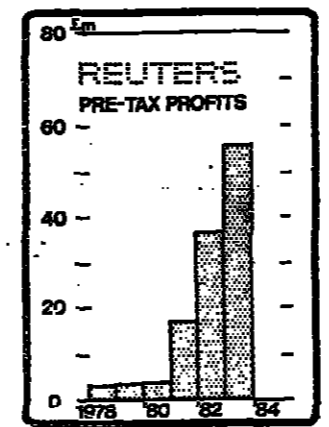
But contrary to the impression created by all the media excitement ("Reuters owners cash in a billion," etc), the management of one of the world's leading news agencies enmeshed in their smart Lutyns—designed headquarters halfway down Fleet Street—have never actually

propose to sell, let alone at what price, for fear of breaking the SEC's rules against advance publicity.

The City now reckons that the shares being offered will be worth about £200m, which is a lot smaller than first thought and probably represents less than 30 per cent of the company's value. The offering will be split between London and New York.

UK institutions, opposed to the way the trustees are determined to keep control in a high complex voting structure, are being recommended to boycott the underwriting, and the sponsors will have to rely more heavily on the American market.

Although the owners—major British and Commonwealth newspaper groups—will be selling part of their existing holding, the issue will include shares whose proceeds will go direct to Reuters itself. The latest City estimate is that Reuters's share could be about £70m.



Reuters wants to go public because it is virtually impossible these days for a company of its size to expand fast enough using its own resources, especially in the dizzy, high-tech growth market for business information. There is, however, no disguising the fact that the prime movers behind the sale have been several newspaper proprietors. Among those

with the most to gain have been Lord Matthews, of Fleet Holdings, and Mr Rupert Murdoch of News International.

Reuters almost certainly has its sights set on the North American market which is vital to its future but where it has only a small share.

Last year it earned only 16 per cent of its revenues from the U.S. and Canada, even though those two countries account for between a third and a half of the business information market. Reuters' dominance of the European and Asian markets also leaves it less room for growth there, though at the moment revenues are still rising.

Everyone knows Reuters is not just a news agency any more. But even the Reuters Monitor service whose flickering green screens revolutionised (and in some cases actually created) financial markets in the 1970s is old hat these days. Today, Reuters has moved into what it unabashedly calls information

manipulation—supplying banks and financial institutions with the equipment to play around with the flood of news and market data that pours over its wires.

One of its new products is a multi-colour computerised screen that keeps track of a money trader's dealing positions all through the day. He punches in his deals as he does them; the computer then constantly updates their value as rates change.

Other equipment pulls together a vast array of information on to a single screen, alerts traders to discrepancies between different markets so that he can take advantage of "arbitrage" them, and even automatically seeks out traders at other banks to clinch a deal.

A far cry from the notebook-and-pencil-fouting foreign correspondent in some steamy distant land. But though business information is now Reuters' stock in trade, its traditional news service is alive and growing, thanks

largely to the new business clientele Reuters has tapped beyond the press and media. Reuters won't say that the international news service actually makes money, but since January 1982, it has opened up 24 new bureaux, bringing the total to 94.

Even so, it must be hard for Reuters sometimes not to lose sight amid all the microchips and monitors of the role of impartial purveyor of information that it has an anxious to protect. "Excellence in news" is the slogan drummed out by Mr Glen Kenfrew, the chief executive, to keep his 3,500 employees alert to their task. But of that number only 600 are journalists.

Though again, the Baron might have approved: he did start out in life, after all, by attaching stock prices to his birds and sending them fluttering off to the financial capitals of Europe.

David Lascelles

Labour not available

From Mr G. Sewell
Sir—Prof Weitzman (May 2) claims that firms get unions to take a smaller share of any additional revenue. The firm earns, firms have a bigger motive to expand. Of course they do, but by the same token the union has a bigger motive to stop expansion!

Even if his proposal raises aggregate demand—and I don't quite see how it does—it does not get at the "law" in the labour reward mechanism... at the micro-economic level... which I agree is the cause of all macro-economic problems like inflation. This flaw is the failure of the price of different types of labour to adjust to surpluses and deficiencies near full employment. In other words, given that his system raises demand, just as many firms as under a rise in demand by conventional means will find that the labour they want is simply not available from the dole queue. Such firms will bid up the price of this labour and/or their products and the inevitable inflation will ensue.

I do not mean to attack profit or revenue-sharing; they may well bring benefits, and the example of Japan that Prof Weitzman quotes may well be evidence of this but I doubt the benefits of profit or revenue-sharing are quite as Prof Weitzman claims. G. Sewell, 35, Front Street, Langley Park, Durham.

Sawmilling capacity

From the Managing Director, John Snow & Co.
Sir—Your second leader of April 30 was appropriate to the day in that the British Timber Merchants Association held its annual general meeting that Monday morning but your encouragement to British investors to put their money mostly north of the border less so.

Over the years the home tim-

ber sawmilling industry has suffered severe competition, mostly from within. It is to be hoped that your leader will not encourage over investment and another imbalance between raw material supplies and real demand.

There is no doubt that a large portion of the additional sawmills still coming onto the market can produce sawn timbers and substitute the large imports from Sweden, Canada, Russia and Finland.

It would be wrong, however, for your readers/investors to rush in and commission new mills to try to compete with the existing supply chain, for that would intensify competition in an industry that has been slimmed and streamlined with the recession and is about to improve the earnings of its section as a result of a better balance in the demand/supply equation that effects primary raw materials.

Most sawmills in Scandinavia and Canada work two or three shifts when demand requires it and the logs are at hand. If the sawmills in the UK do likewise they can reduce their costs.

The benefit of imports substitution can best be maximised by the sawmill owners concentrating their talents on efficiency of production and maximisation of quality output, leaving the marketing to the existing importer/merchant and merchant stockists.

The existing chain of supply to the wood containing industries in this country from sawmills overseas has changed little over the years and can fairly be said to have stood the test of time.

Your leader made no mention of marketing which I consider to remain a problem you should have addressed: that is for the majority of sawmills striving to compete with importer stockists, handicapped by a lack of continuity of supply to sell preferably through an agent who had a financial role to play in an importer/merchant stockists.

I will leave it to others to comment on your erroneous comment concerning a future

Letters to the Editor

world shortage of timber. Edward N. James, John Snow & Co, Glastonbury, Somerset.

Pension reliefs

From Mr D. Mills
Sir—It is unfortunate that Mr Robert McCrindle, MP (April 30, page 6) the parliamentary adviser of the British Insurance Brokers Association, should represent the Trojan Horse who responsibly makes statements regarding the "abuse of current pension reliefs by intermediaries."

I am unaware of any abuse of current pensions legislation which the superannuation funds office does not have the power to eliminate by withdrawal of scheme approval. The one recent abuse by one particular insurance company was very quickly and very rightly stamped on by the Inland Revenue.

He refers to loans from pension funds as being an abuse. My understanding is that loans from pension funds are only granted to companies, and only for the furtherance of their business.

The other form of loan, for example loans to directors, can under no circumstances be made from the pension fund and the superannuation funds office will withdraw approval of any scheme which makes such loans.

The contribution of private pensions towards minimising the impact of an ageing population requires to be encouraged, not discouraged.

The concept of reliefs in respect of pension funds bears no relation to the concept of life assurance premium relief, and indeed a very high percentage of pension funds in this

country do not involve the participation of any insurance company other than in respect of their death in service benefits.

Except in special circumstances, it is not possible for pensions to be surrendered early unlike life assurance contracts. Such early "surrender" already carries considerable Inland Revenue restrictions.

In the same issue of the Financial Times you report on the general apathy of registered insurance brokers to the British Insurance Brokers Association.

The reason for this surely is that many brokers are content to be registered and to be regulated by the registration council, but see no benefit to be derived from the British Insurance Brokers Association, which, contrary to your article is not even representative of City firms but indeed is perhaps more representative of a handful of the national brokers, who for some years now have tried to manipulate RIRA to meet their own "unique" requirements.

The majority of smaller firms are too busy planning on behalf of their clients, and hopefully also continuing to expand their knowledge in order to be able to properly advise their clients to become too heavily involved in an organisation such as RIBA which represents their interests in what would appear to be from Mr McCrindle's remarks, such a severely limited manner. David Mills, 12 Beechmount Road, Lenze, Kirkcubrecht.

A tax on land or rents

From Mr H. Bradshaw
Sir—Anthony Harris (May 8)

points out that the rise in house prices has been cited as confirmation of a lax monetary policy, and on the same page, Mr Redfearn indicates that there are 250,000 acres of urban land held out of use.

These are simple observations that regularly repeat with the production cycle. Each time round it is land, especially urban land, that attracts a lions share of spare money in the system, not enterprise.

If some of the tax burden was taken off enterprise and placed directly on land values or rents, as Mr Redfearn suggests, especially in towns, enterprise would be encouraged, rather than unearned income, the credit rating of industry would improve in relation to property, and it would not pay so well to hold land out of use.

So many people are blind to this that we are liable to be led

"Low level of safecracking"

From Mr H. Hamber
Sir—My industry is obliged to New Scotland Yard for new figures showing the low level of safecracking.

High-security models, freestanding or underfloor, are rarely entered. The record over four years for the metropolitan area reads as follows:

Year	Total attempted	Opened	Blowing attack	Other
1980	702	414	Opened 5 (Failed 4)	Opened 204 (Failed 21)
1981	631	361	Opened 1 (Failed 1)	Opened 251 (Failed 25)
1982	524	290	Opened 5 (Failed 6)	Opened 183 (Failed 24)
1983	553	311	Opened 16 (Failed 3)	Opened 185 (Failed 31)

Blowing (with gunpowder or the like) and cutting (with a torch or lance) are well out of fashion and discs have made no significant inroad. High-security underfloor or freestanding safes are too much of a problem to enter.

Burglars continue to remove safes bodily, and these are presumably the lighter freestanding models and less well secured wall types which can be knocked out of the brickwork. Opening with a key could indicate lax control of keys but the figures are still very low compared to forcible

blindly into the ditch yet again. H. Bradshaw, 18, Park Road, Richmond, Surrey.

Sadistic delight

From Dr H. J. Schirmayer
Sir—Anthony Harris' translation (May 8, page 19) of the German word Schadenfreude is the exact opposite of the actual meaning. Mr Harris translates Schadenfreude as a masochistic version of "I told you so."

Schadenfreude is not masochistic. It is sadistic. Schadenfreude has nothing whatsoever to do with "I told you so." Schadenfreude is a sadistic delight in another person's misfortune. (Schaden = damage, harm; Freude = joy). H. J. Schirmayer, Theodor Heuss Ring 14, 5000 Köln 1, West Germany.

entry of dwellings, shown over the same period as follows: Burglaries (forcible entry) known to Metropolitan Police

Year	Dwelling residential	Total
1980	54,938	40,224 95,162
1981	66,454	48,153 114,607
1982	77,694	49,561 127,255
1983	76,215	43,204 119,419

We can see clearly the pattern of crime—on the one hand the failure of householders, shopkeepers and others to make a fortress of their premises, and on the other the failure of burglars, once inside, to get into the safe.

It is time for safe manufacturers to make known the facts and the insurance industry could do more to help. H. Hamber, Hamber & Whiskin Engng., Radford Way, Billerica, Essex.

Following the grant of a licence under the provisions of the Gaming Act 1968, TRIDENT CASINOS LIMITED are pleased to announce the opening of the CONNOISSEUR CASINO CLUB at the ROYAL GARDEN HOTEL, Kensington High Street, London, W8 4RE (Telephone 01-603 1155). The Club will officially open at 2pm on WEDNESDAY 16th MAY 1984.

Entrance to the Club is restricted to Members and their bona fide guests.

Handwritten Arabic text: "مركز الصحافة"

AIR TRAVEL IN EUROPE

The long battle for cheaper fares

By Michael Donne, Aerospace Correspondent

IT WILL cost less to fly between Britain and the Netherlands in the summer as a result of an agreement between the two countries this week...

IBERIA swissair AIR FRANCE British Alitalia KLM airways British Caledonian Airways Lufthansa SAS SABENA

as a result of the second UK airline's efforts, the overall market on the route is expanded.

Caledonian five years ago, tried to introduce its "mini-price" cheap fares on to many European routes, but failed.

In recent years, the British Government and its airlines, the European Parliament and the EEC Commission, have all made persistent efforts to drive down the cost of European air travel, but with very limited success.

However, past discussions of a similar nature have either failed to reach agreement, or have come up with limited compromise solutions to the problem of cheaper fares.

airlines should go out of business. Some expect the airlines to operate particular routes or a route system, or to retain redundant staff.

They fear that any efforts to correct its deficiencies might undermine its strengths. They maintain that while not opposed in principle to lower fares or greater competition, they feel this should be strictly controlled.

So far, no member of the Ten (including, he said, the UK itself) has been ready to accept outright the EEC's desires.

Under the British-Dutch agreement a new £49 return fare will be offered experimentally on the London-Amsterdam route. The fare is £38 cheaper than the current lowest rate, an advanced purchase excursion return, but it will be offered on BA, KLM and British Caledonian flights only when space is available.

There is also a more specific fear of the British. The UK, with a total of more than 61m domestic and international air passengers a year, is Western Europe's busiest international air travel centre.

More over, national air-space constraints (for military and other purposes) often make flight distances longer than they ought to be—the flight from Zurich to Brussels is 40 per cent further than it needs to be.

It suggests that capacity agreements could be reshaped to ensure that the major flag airlines on a given route were each guaranteed at least a 25 per cent share of the traffic.

On fares, the Commission proposes the introduction of "zones of flexibility", within which airlines might be free to charge what they thought fit.

Mr Ridley's gesture is more of a show of EEC determination to push ahead for cuts as swiftly as possible than a recipe for immediate action.

As the EEC Commission says: "Many member-states would regard it as unthinkable that their own airlines should be forced to compete with airlines from other member-states."

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HOW WORLD AIR FARES COMPARE

Table with columns for route, airline, and fare. Includes routes like London-Brussels, New York-Washington, etc.

The Olympic boycott

And now a message from the sponsors...

By Louise Kehoe in San Francisco

"McDONALDS' commitment is to the Olympic Games and what they stand for. The Games will go on, as will McDonald's support of the Games and the Olympic ideals.

when he heard of the U.S. plan to ask companies to sponsor the relay of the Olympic flame from New York to Los Angeles.

another \$100m on staffing the event. However, ABC is thought to have protected itself in the event of a Russian boycott with a contract provision that lowers the rights fee by a reported \$60m to \$80m if the Russians do not attend.

The views of McDonald's, or any other hamburger chain, on the Olympics and the likely boycott of the Games by the Eastern Bloc would in the past have mattered little.

The organising committee has acquired a reputation as a tough negotiating body pushing sponsors and suppliers to underwrite the event.

The television network has booked \$425m of advertising during the games at prices as high as \$20,000 for a 30-second commercial, according to the company's advertising sales director.



There is a Coca Cola, the official Olympic soft drink company and Arrowhead Puritas which sells the official water of the Olympics.

promise to Los Angeles taxpayers, who were assured that they would not, unlike residents of Montreal, be paying for the Olympics for years to come.

ABC says that it is not contractually obligated to give rebates to advertisers, but the network did so after the Winter Olympics when television viewer ratings were lower than anticipated.

On the Commission's proposal, the introduction of "zones of flexibility", within which airlines might be free to charge what they thought fit.

So "the show will go on," according to Olympic officials. But the question for many of the companies underwriting the Games has become: how many people will be watching?

The threatened boycott has not dented the enthusiasm of the Olympic organisers. Mr Harry Usher, the organising committee's general manager said: "We cannot go over our budget and will not go into the red under any circumstances. We will at least break even. That's a sure thing."

Weekend Brief

Spokesmen for Hong Kong?

Shum Yat Fui, a young journalist who presents a chat show in Hong Kong, is in no doubt about the colony's "Umelco" politicians.

"It's unfair to suggest that because some of us represent big business we don't reflect the views of Hong Kong people," she argued.

The Belgian winter proved too strong for the Japanese plants, so he began to marry them to a good budding Belgian azalea.

"But when you think that 20 years ago nobody knew much about the inheritance patterns in azaleas, I guess it isn't so bad."

happily in Dublin this week. Determinedly delicate references to "mutual understanding between all the people of these islands" dotted the 15 of Douglas to Gerry Fitzgerald's speech inaugurating "Top of the Irish".

In search of fragrance

The search for the straight banana has yet to bear fruit, but the indoor scented azalea is on its way.

For their part, the British, which are Britain's second largest export market after the French, are already enthusiastic.

Striking up another handy annual in the plant business, Mr Dakin pointed out that Belgium's azaleas do well in Britain because they are grown in hot-houses courtesy of government-subsidised heat.

He seemed startled — "I had no idea of the relative illiteracy of the rest of the English-speaking world" — at the assertion, made by Mr Harold Clarke, chairman of the IBMG and a director of Eason's, a chain of books-and-stationery shops in Ireland.

The event, scheduled to run in British and Irish bookshops from May 14-26, is organised jointly by the Irish Books Marketing Group—established only two years ago, following the removal of VAT on books in Ireland—and Britain's Book of Marketing Council, veteran of many a "Best of British" promotion.

BUILDING SOCIETY RATES

Table with columns for Society Name, Share Price, Sub'n Price, and Interest Rate. Lists various building societies like Abbey National, Alliance, Anglia, etc.

The Best of the Irish

"The booklovers of Britain and Ireland" milled and mingled

Contributors:

- David Dodwell, Carla Rapoport, David Hellier, Gay Firth

Companies and Markets

UK COMPANY NEWS

Beazer £18.5m cash bid for Leech

BY RAY MAUGHAN

C. H. Beazer Holdings, a Bath-based building and property group, has been quick to deploy the £28.6m gross proceeds of the sale to Tarmac of its building materials division by launching a cash bid worth £18.5m for William Leech, a Newcastle-based housebuilder.

The two sides have met to exchange views but no agreement has been reached. Leech, headed by Mr John Adams, advised shareholders to take no action until the full terms and conditions of the offer are available.

The stock market, however, was quick yesterday to anticipate a vigorous defence or a third party approach. Leech's share price rose by 45p to 1.15p. That, compared with Beazer's offer of 1.25p per share.

Leech came to the market in July 1976 as the first of a crop of new issues including Hamble Life Assurance and Thomas' Northwick. It is the best north market new issue

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Corr. Total, Total last year. Includes Beazer, Dataserv, Scottish Northern, Herman Smith, Tern-Consulate, Yorkside.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ U.S. cents.

Tern-Consulate raising £780,000 by rights

Tern-Consulate, shirt, tie and knitwear maker, yesterday announced plans to raise £780,000 from shareholders with a one-for-three rights issue of £1 preference shares.

It is seeking to fund what it expects will be a 35 per cent advance in turnover, from £8m in 1983. The company forecasts a rise in pre-tax profits from £230,000 to £250,000 and an increase in total dividend from 0.25p to 0.35p.

The directors propose to issue 750,000 9 per cent convertible cumulative redeemable preference shares 1987-2000 at £1 each.

The company said the rights issue would considerably improve the company's capital base and would enable it to finance the substantial growth in sales.

All divisions were currently trading well and turnover for the year to date was in line with the expected increase of 35 per cent over 1983.

Mr Peter Barfield, chairman, said management at the group had been surprised during 1983. In a substantial change of strategy, the company had started supplying the major multiple stores in addition to its traditional market of independent traders and boutiques.

Two new trading divisions had been successfully launched. At the same time the group had launched a retail shop-within-shop division now operating in 70 stores in the UK, and under licence in Japan, said Mr Barfield.

The results for the year to December 31 1983 show pre-tax profits virtually unchanged at £230,000 (£220,000) on turnover of £8m (£8.16m). Gross profits were £2.76m (£2.78m), interest payments were up at £294,000 against £213,000, but the previous year's accounts carried a separate exceptional charge of £145,000 for interest paid following the delay of payments on a large Libyan contract.

Other operating expenses were £2.48m (£2.41m), tax amounted to £1,500 (£11,000) and extraordinary debits to £15,000 (£70,000), being redundancy and ex-gratia payments.

Earnings per 25p ordinary share were 0.96p (0.94p).

Shareholders are being asked to take a lot of trust in this heavy call on their money from a company which had rather lost its way in recent years. Much depends on the new strategy of selling to multiples which has had so little time yet to prove itself.

COMPANY NEWS IN BRIEF

Scottish Northern Investment Trust pushed its net asset value per 25p share up from 131.85p to 147.84p in the year to end-March 1984.

The results for the year are not comparable because of the acquisition of the new Harrison Group in February and a US\$20m one-year loan from Morgan Trust Company.

Pre-tax revenue is shown as £3.28m, against £3.14m, which was subject to tax of £935,923, compared with £1.05m.

Following the interim dividend a final dividend of 0.3p (1983) is being paid on an adjusted 0.88p to 3.36p.

Hiscox pre-tax profits of £8.7m, against £8.2m, were achieved by Argus Press Holdings, a subsidiary of British Electric Traction, in calendar 1983.

Turnover of this printer and publisher expanded by £65m to £78m, and Mr Tim Gold Bird, the chairman, says that further encouraging growth has been shown so far in the current year.

The profits were subject to a total tax charge of £1.8m (£1,840,000). Minorities totalled £16,000 (same) and there were extraordinary debits of £235,000 (£411,000).

Its subsidiary Argus Press pushed taxable profits up from £25.8m to £27.4m on turnover nearly 15m higher at £29.88m.

Net asset value per 50p ordinary of Shires Investment moved ahead from 156.18p to 192.32p, after deducting prior charges at par, in the year to end-March 1984.

Consolidated revenue before tax amounted to £179.170, against £141.755, from which tax took £163.532 (£141,327). Earnings per share came out at 12.01p (£11.96p).

There is no final dividend, but a second interim (in lieu of a final) of 8.8p having already been paid in total for the year was held at 11.8p net.

Marine Advertising, a Selling Trust pushed its net asset value per £1 ordinary up from 205p to 209.2p in the six months to January 31 1984, and from 175.5p a year ago.

Financed and unfranked investment income for the period totalled £58,258, against £28,315, and deposit interest amounted to £538 compared with £1,923.

Profits less losses on dealings in securities by a subsidiary and underwriting commissions were £83,415 (£27,394). Pre-tax profits emerged at £47,390 (£40,530) and were subject to tax of £5,549 (£19,725).

Pre-tax profits were after payments under deeds of covenant £55,000 (nil), administration expenses of £3,890 (£3,500), and interest of £10,971 (£13,568).

While more than doubled last year taxable profits of £146,000, against £68,000, were achieved by Fairline Boats, Mr Sam Newington, the chairman, says "we clearly have a long way to go to rebuild our margins."

The 115 per cent increase in profits was achieved as a 25 per cent increase in turnover from £2.32m to £2.79m, but Mr Newington points out that they still do not compare with the £283,000 achieved on sales of £2.27m in the first half of 1979-79.

Looking ahead he says that Fairline will have no difficulty in selling its entire production of all boats until well into the autumn.

The interim dividend is being lifted by 80 per cent from 0.75p to 1.35p with profits per share shown as 2p (0.5p). After dividend payments, and tax of £76,000 (£35,000), the retained profit is £31,000 (£14,000).

For the 1982-83 year profits totalled £246,000 and a final dividend of 1p (0.5p) was paid.

Trinkaus & Burkhardt, West Germany's largest private bank and a member of the Midland Bank Group, reports total assets up by 4 per cent to DM 5.5bn (£1.1bn) at December 31 1983.

Business volume was DM 5.7bn, and total business volume inclusive of subsidiaries in Luxembourg and Switzerland was DM 6.6bn. Under German custom, private banks do not publish their profit and loss account.

Securities business with private and institutional investors made a significant contribution to profits. Commission income from this sector increased by 80 per cent, amounting to half of total commission earnings. Foreign exchange trading and commercial business activities also produced further good results.

Dataserv profits on target at \$2.17m

IN LINE with forecast, taxable profits of Dataserv, which sells new and used IBM computer equipment and arranges leasing facilities, amounted to US\$2.17m for 1983 (£1.45m), compared with a previous \$1.2m. Turnover expanded from \$89.55m to \$115.9m (£77.27m) over the 12 months.

As indicated in last November's prospectus, directors are paying a dividend of 0.75 cents per share and they intend to recommend payments totalling at least 1.5 cents for the current year.

The directors are confident that with the development of point-of-sale systems, direct and depot maintenance and the supply of components—coupled with the expansion of established activities, prospects are promising.

They are encouraged by the present level of orders received to date, particularly in the U.S. and the UK, and by the general level of market activity.

The directors point out that while the first half 1984 results will reflect the significant seasonal bias of the group's activities towards the second six months, together with the initial costs associated with the expansion of the direct and depot maintenance business, they expect that the results for 1984 as a whole will be encouraging.

Dataserv was formed as a result of a merger in December 1982 between Dataserv, a U.S. company, and Premier Computers, a UK company, following which the group's share capital was equally held by two former U.S. shareholders of Dataserv and two former UK shareholders of Premier.

Worldwide demand for IBM computer equipment was buoyant in 1983 the directors state, and group turnover attributable to these activities rose by 24 per cent. Performance in the U.S. and the UK in the last three months of the year was particularly strong, whereas the West German subsidiary was "slightly disappointing."

In the U.S. the group has strengthened its position in the area of banking equipment, and it has recently entered the U.S. market in electronic point of sale systems for retailers. The directors say they have been particularly encouraged by this business, which should have a significant impact on 1984 results.

On the computer maintenance side the group increased its revenues by 66 per cent over 1982.

Pre-tax profits for the year were £1.45m, compared with £1.2m, on turnover of £77.27m (£77.27m), UK and Europe \$81,000.

comment Dataserv only just pipped its profits forecast after downgrading the previous year's earnings by \$24,000 to correct an underestimate of late-arriving IBM maintenance bids. The cap that the German management team now replaced—absconded half way through the year taking up to \$15m of sales with them, and delaying the group's plans for Germany to outstrip the UK as main European profit centre.

The IBM problem has now been resolved and Dataserv is in an case converting its brokerage customers to direct maintenance. But the market, perhaps wary of any further banana skins in Dataserv's way, sent the shares down 7p to 85p. That said, the group's path looks firmly up.

More especially in the UK, where it is set to be a prime beneficiary of the run-down in capital allowances announced in March. The banks, which have traditionally dominated the leasing market, are now showing signs of changing their funds through operating lessors like Dataserv which offer services as well as finance. There is also a spin-off from IBM's new found willingness to leave leasing to the secondary computer market and concentrate on selling a sum of a healthy order book on both sides of the Atlantic points to perhaps \$3.5m for the year, which puts Dataserv on an undemanding multiple of 14, assuming a 34 per cent tax charge.

comment Winterbottom Energy rejects partial offer

Winterbottom Energy Trust, which invests in energy shares, said yesterday that it had rejected a partial offer from the New York investment firm of Gruss and Co.

Mr Martin Gruss, the managing partner of Gruss and Co., said he had offered to buy an additional 25 per cent of Winterbottom's shares at net asset value. The U.S. firm currently holds 7.5 per cent. Gruss also said that it had proposed to form a joint management company with Baillie Gifford, the Edinburgh-based company which manages Winterbottom.

Gruss said that following Winterbottom's rejection, it reserved the right to buy or sell Winterbottom shares.

On May 4, Winterbottom said its net asset value was 106.6p.

comment Reliant in the red at midway

ALTHOUGH Reliant Motor, car manufacturer, has fallen into the red in the half year ended March 31 1984, Mr. F. Nash, chairman, says he still anticipates the company will achieve its stated target of a modest profit for the full year.

Compared with pre-tax profits of £11,000 this USM concern is down from £25,000 for the same six months. Turnover increased from £6.6m to £7.09m and loss per 5p share was 0.5p (0.2p earnings). There was no tax (same).

In his last annual report Mr Nash indicated that because of high development costs of the group's new sports car, he expected the company to break even in the first half and make a modest profit for the 12 months.

The chairman says the sports car "represents the first major development since the reorganisation in the early 1980s." He adds that directors have "high hopes" that it will prove a springboard for the company's future success.

Considerable interest is being aroused in the export markets of Europe and the U.S. Mr Nash points out, and this will be evaluated in the coming months. He says the export potential of the car could be very important for the company's future.

Apart from the new car, improved economy versions of the Rialto have been introduced and the chairman says that indications are that they will prove a "welcome stimulus to sales."

Component and industrial sales (in at home and abroad are on target and he says he is hopeful for the future.

For the year ended last September, turnover was £12.02m (£11.5m) and pre-tax profits amounted to £176,000 (£208,000) appointed a non-executive director.

The group was unable to recover in the second half of 1983 and finished the year with a loss of £18,490, compared with a profit of £5,734. A tax credit of £26,593 (for £3,646) gave earnings per share of 0.5p (loss 2.5p) and the dividend is held at 2p net with a final of 1.4p.

On prospects, the directors say there are signs that in 1985 demand in the aerospace industry will increase so that, with correct investments and planning, the company will be in a position to take advantage of the upturn.

They are confident that the profitable cutlery factoring business can be continued and will be expanded where possible in premises outside the high rating Sheffield area.

Mr Leo Wright, who became chairman in January, has also taken over as managing director, and Mr James Wright has been appointed a non-executive director.

Mr Martin Gruss, the managing partner of Gruss and Co., said he had offered to buy an additional 25 per cent of Winterbottom's shares at net asset value. The U.S. firm currently holds 7.5 per cent. Gruss also said that it had proposed to form a joint management company with Baillie Gifford, the Edinburgh-based company which manages Winterbottom.

Gruss said that following Winterbottom's rejection, it reserved the right to buy or sell Winterbottom shares.

On May 4, Winterbottom said its net asset value was 106.6p.

Institutional placing puts £28.6m value on Sturge

BY JOHN MOORE, CITY CORRESPONDENT

Sturge Holdings, the parent company of one of the largest independent groups of underwriting agents in the Lloyd's insurance market, is raising £7m through a placing to existing shareholders, underwriting members of Lloyd's for whom the underwriting agency acts, and a number of institutional shareholders.

In the placing scheme the newly issued shares will raise about £3.5m in new money for the parent company, which it said will be able to take advantage of any opportunities arising from the investment by Lloyd's brokers of their interests in managing agencies.

Under Lloyd's legislation all Lloyd's brokers are required to invest themselves of their interests in managing agency companies.

Kleinwort Benson, the merchant bank acting for Sturge, has arranged to place up to 4.26m ordinary shares, representing 24.1 per cent of the issued ordinary share capital after it has been increased by the placing, at 165p per share.

Under the arrangements Kleinwort is placing 2.14m newly issued shares and 2.12m shares, being sold to existing shareholders. The market capitalisation of Sturge at the placing price is £28.6m.

There will be two separate simultaneous placings of shares to:

financial institutions and those members of Lloyd's for whom the holdings company acts as an underwriting agent and who are not citizens or residents of the U.S.

Those members of Lloyd's for whom the holding company acts as an underwriting agent and who are citizens or residents of the U.S.

The group manages 13 syndicates with 1,038 members of Lloyd's whose affairs it directly manages and 3,563 members of Lloyd's who have been introduced to the syndicates.

The group forecasts that consolidated pre-tax profits for the year ending September 30 1984 will be approximately £4.7m, compared with £3.7m a year earlier. The directors intend to pay a reasonable level of dividends and intend to recommend a net final of 3p.

The prospectus notes the group's position in certain reinsurance arrangements. The group says that between 1976 and 1978 it owned 50 per cent of the share capital of Beau Rivage Assurance, a Bermuda company with which Sturge insurance syndicates at Lloyd's, into which its underwriting members are grouped, placed reinsurance business.

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The group points out that the Inland Revenue is seeking to establish with managing agents generally whether the premiums relating to certain types of reinsurance policy which are in issue at Lloyd's, give rise to an allowable expense for tax purposes and whether names' (the

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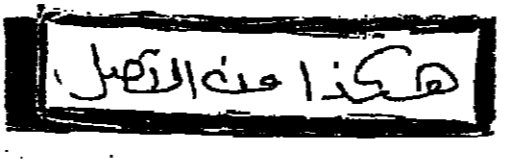
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The group forecasts that consolidated pre-tax profits for the year ending September 3



INSURANCE & OVERSEAS MANAGED FUNDS

Main table containing financial data for various insurance and overseas managed funds, including company names, fund names, and numerical values.

NOTES
Prices are in pence unless otherwise indicated and these designated S with no prefix refer to U.S. dollars. Values are in column unless otherwise stated. A '0' in the column indicates a value of zero. A '0' in the column indicates a value of zero. A '0' in the column indicates a value of zero.



FT LONDON SHARE INFORMATION SERVICE

HOTELS—Continued

BRITISH FUNDS

Table of British Funds including 'Shorts' (Stocks up to Five Years), Five to Fifteen Years, and Over Fifteen Years. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

AMERICANS

Table of American Stocks including Abbott Labs, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

BEERS, WINES—Cont.

Table of Beer and Wine stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

DRAPERY & STORES—Cont.

Table of Drapery and Stores stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

ENGINEERING—Continued

Table of Engineering stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

INDUSTRIALS (Miscel.)

Table of Industrial stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

Index-Linked

Table of Index-Linked stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

CANADIANS

Table of Canadian stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

BANKS, HP & LEASING

Table of Bank, HP, and Leasing stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

CHEMICALS, PLASTICS

Table of Chemical and Plastic stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

FOOD, GROCERIES, ETC

Table of Food, Groceries, and other stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

HOTELS AND CATERERS

Table of Hotel and Catering stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling issues including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

CORPORATION LOANS

Table of Corporation Loans including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

LOANS

Table of Loans including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

BEERS, WINES & SPIRITS

Table of Beer, Wine, and Spirit stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

DRAPERY AND STORES

Table of Drapery and Store stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

RENTAL, LEASING, ETC

Table of Rental, Leasing, and other services including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

ENGINEERING

Table of Engineering stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

HOTELS AND CATERERS

Table of Hotel and Catering stocks including Amgen, Amgen, and others. Columns include High, Low, Stock, Price, Div, Yld, and P/E.

FINANCIAL

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Standard Life can construct the building you want on industrial parks at Abingdon, Basingstoke, Watford

IN THE NEWS

Caught in the crossfire

BY MICHAEL DIXON

"I'VE HAD angry letters from parents and I sympathise with their anxieties," said head teacher Pam Turner, clearly enjoying the extraordinary luncheon quiet of London's Sir William Collins Comprehensive School. Its 800 boys and girls had been packed off to spend their hour's break in the windy streets.

Supervision of children at lunchtime is one of the various extracurricular tasks handed by teachers' unions in England and Wales in their protest against the education authorities' refusal to offer more than a 4.5 per cent pay rise. In addition this week saw the start of sporadic strikes by the two biggest unions - the National Union of Teachers with 235,000 members and the combined National Association of Schoolmasters and Union of Women Teachers with 120,000.

As one of about 30,000 heads among the 44,000 state-school staff, Ms Turner is in a difficult position. She has been a member of the NUT for most



Headmistress Turner

of her 22 years in teaching, and since taking over Sir William Collins in 1981 she has also joined the National Association of Head Teachers. As well as taking nine 40-minute classes a week, she carries the morning-to-midnight responsibilities of a manager.

Being a member of the NUT she was expected to down chalk with some 40 fellow-members of the union on her staff during its national strike on Wednesday. But as an educational manager she was required to do her best to arrange for some classes on the day to be taught by the other 25 staff. Of those, 17 belong to the next largest, combined union which is liable to call them out any day at 24 hours' notice. To complicate matters further, as a member of the Head Teachers' Association, Ms Turner is under orders to do nothing to reduce the effect of official protests by the other unions.

The safety of the pupils when at school is her responsibility. It was largely because the absence of the NUT members would not leave enough to guarantee adequate supervision of the children on the premises that she decided to shut the school on Wednesday. It is for the same reason that the pupils are sent away at lunchtime, apart from a few younger boys and girls who live too far away to go home and can be kept under the eyes of three or four non-teaching staff.

"But even then they're not under proper professional control. And when the others come back, being free outside for a full hour gives them less taste for working than they have normally - which isn't very much in most cases. That's one way in which this situation is probably causing more trouble for teachers than anyone else," Pam Turner said.

"We're also suffering from the ban on after-school meetings. That's the only time there is for a lot of important things at least two-thirds of the staff are keen to do, like making the curriculum more relevant to children's lives. The irony is that the one thing I'm sure will go through unscathed is the public exams. I hate them. They dictate what you can teach almost throughout the school.

"That apart, though, I can't see an end to the trouble for a long time. With very few exceptions teachers seem sick of being brushed aside by the Government. Besides being important, you know, it's a harassing job."

The head-teacher stopped and rolled her eyes as yells broke out in the corridors.

"Oh God," she said, "someone's let them in again."

W. German motor industry to lead strikes campaign

BY RUPERT CORNWELL IN BONN

WORKERS in the vehicle components industry have been selected to lead the widening struggle by the West German trade union movement for a 35-hour working week.

IG Metall, the engineering union in the forefront of the campaign, said yesterday that the first full-scale strikes would involve 12,000 workers at 14 factories. The stoppages are due to take place in the Stuttgart area on Monday.

The choice of the plants, including two in the Robert Bosch electronics and components group, underlines IG Metall's strategy, which is to choose targets where stoppages will rapidly affect the West German car industry.

Herr Ernst Eismann, the union's regional organiser for North Baden-Württemberg, said: "We want to achieve the biggest possible result with the smallest outlay. We will carry out a campaign of pinpricks which hurt."

The occupation marks a sudden worsening in the labour situation at Citroen, which is trying to reduce its workforce by 6,000 people this year.

Peugeot, the financially troubled private French car group which owns Citroen, has said the job cuts are essential if the company is to return to profitability. The Peugeot group recently announced a loss of FFr 2.5bn (£212m) last year.

The group has also sought to avoid a repeat of the violent labour clashes which hit its large Talbot car plant at Poissy at the beginning of this year. Despite a more conciliatory and softer approach in its negotiations with the unions, however, Citroen appears likely to be forced to make a large number of compulsory redundancies.

About 3,00 of its planned

In London, Mr John Fleming, chairman of Vauxhall Opel, said the motor industry's supply system was so structured that any West German stoppage would quickly affect all Europe. The only cloud on Vauxhall's horizon, he said, was the prospect of a widespread strike in the West German motor industry.

Volkswagen, the main plants of which are outside the area affected by the first wave of strikes, has already warned that its stocks of key components could be exhausted within a week.

The union's threat to step up strike action if the employers remained inflexible became more real yesterday, with the decision of IG Metall to call out workers in the Frankfurt area from Wednesday. Like Stuttgart, workers in Frankfurt have voted by more than 80 per cent to strike.

Meanwhile, the union is brace-

ing itself of retaliatory lock-outs by industry. Herr Hans Mayr, the national chairman of IG Metall, predicted what he called "cold" lockouts.

These, he said, were to be expected not so much at factories hit by strike as at plants elsewhere, which were affected by shortages of parts.

The lockout threat extends beyond the engineering industry. West German publishers are showing signs of losing their patience with IG Druck, the print union, which yesterday staged a second successive day of strikes throughout Germany.

This means that newspaper production faces disruption today. Herr Manfred Beltz Rühlmann, who leads the publishers' association and whose own works were strike-bound yesterday, warned of "fatal consequences" if the union continued its "irresponsible" behaviour.

new cash payments to encourage immigrants to return home. These repatriation incentives have now been increased at Citroen from FFr 70,000 to FFr 100,000 per immigrant.

The deterioration in the Citroen labour situation comes at a time of increasing social conflict in many depressed industrial French regions. Shipworkers at Nantes in the west blocked the gates of the Du-bignon shipyards yesterday in protest at the yard's restructuring plans.

At Longwy in the eastern steel region of Lorraine, fresh incidents erupted yesterday between steelworkers and police forces.

The French unions have been coming under increasing pressure from their rank and file in the face of the worsening French unemployment outlook.

Indeed, the union leaders have found it particularly hard to control the immigrant rank and file at the big Paris area car plants such as Poissy and Aulnay.

Hitachi cuts 500 jobs at Welsh TV factory

By Robin Reeves, Welsh Correspondent

HITACHI Consumer Products yesterday announced more than 500 redundancies at the Welsh television manufacturing plant which, until March, it ran as a joint venture with General Electric Company.

The number of employees at the plant at Hirwaun, in the Cynon Valley, is to be cut from 1,300 to 800, with most of the redundancies coming from the shopfloor.

Job cuts were expected as a result of the ending of Hitachi's uneasy marriage with GEC after five years. But the scale of the redundancies shocked trade union officials in an area where the level of unemployment is about 20 per cent.

Mrs Ann Clwyd, the newly elected Labour MP for Cynon Valley, said she would be pressing Mr Nicholas Edwards, the Welsh Secretary, to intervene. The redundancies form part of a package of measures introducing modernisation production lines and reform industrial relations at the plant, which has the capacity to produce about 300,000 television sets a year.

Since Hitachi took over sole control of the plant it has already approached the electricians' union, the EPTU, with a view to establishing single union representation by August.

A meeting earlier this week in London of all the unions represented ended in deadlock. The issue of single union representation is now being referred to the TUC for arbitration.

Continued from Page 1

Nissan

the first three months of this year - and the deal between General Motors and Toyota are seen as factors influencing the speed of the move.

The Nissan plant at Smyrna has only one production line and is making only 100,000 small trucks a year. This will be increased to the capacity level of 140,000 this year, however, before cars are added to the same line for a target launch in 1985.

The use of the same production unit explains the small \$85m investment for production of the Sentra. Most of the money will be spent on tooling and equipment.

The Sentra is the best selling import to the U.S. Sales last year reached 214,300 in a total Japanese production of 556,300. The Sentra has been largely responsible for Nissan's strong showing this year against Toyota, traditionally the strongest of the two in the U.S.

Toyota is, however, now only marginally ahead of Nissan, with 135,950 unit sales in the U.S. in the first quarter of this year against its rival's 133,730. machine is on \$1.7m.

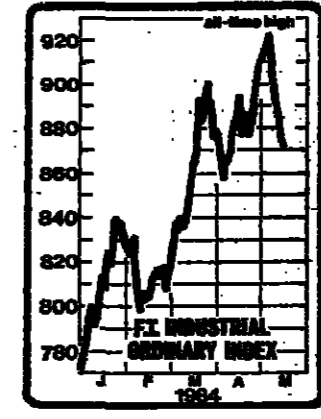
Nissan's Mexican plant at Aguascalientes is due to go into operation later this year. It will be operated by Industrias Nipomex del Centro, a joint-venture established in 1982 and owned 40 per cent by Nissan and 60 per cent by Mexican interests.

The plant will be equipped with computer-aided flexible manufacturing systems and will initially produce about 5,000 trucks a month for Nissan Mexicana, a subsidiary

THE LEX COLUMN

Recoupling to the U.S. boggy

Index fell 13.9 to 871.0



behind the recent strength of the London equity market seems not to have been entirely abandoned. So long as interest rates do not get really out of hand, the UK economic outlook still holds the promise of generous increases in profits and dividends. In any case, the corporate sector is now so gorged with cash that rising interest rates hold rewards as well as penalties.

Not for the first time in the last few years, the change of heart emanated from the U.S., where uncertainties were multiplying by the day. The impact of a quarterly refinancing auction, piled on top of the Federal Reserve's tightening of monetary control, was bound to drive bond yields up in any case. There had been little retail demand, so that primary dealers - who are obliged to accept official bond offerings - had no alternative but to push yields to a point where they felt able to take the issue on to their already bulging books.

That led by the end of the week to a long bond yield of 13 3/4 per cent - a clear three-quarter of a point higher than at the outset.

Not only were bond prices plunging - with a momentum which the gilt-edged market was quite unable to withstand - but renewed scares about the U.S. banking system, which the market was pinning this time on the Continental Illinois Bank, prompted yet another flight into "quality" investments. The gap between yields on bank certificates of deposit and U.S. Government bills widened during the week by almost a point.

Despite all this monetary disillusion, which showed up in the UK in the shape of bank base rate rises, the reasoning

Premier. Coal and even Tricentrol. The licence has eventually fetched a price which still appears more advantageous than alternative investments which the group members might have made, as in the Forties. And the companies should gain considerably simply from having ended the negotiations. This at once ends their period of suspended animation, establishes the value of their paper, and opens the door to a raft of potential takeover approaches, from the likes of Enterprise Oil (once its shares are trading) and RTZ.

Stockbroking As this week's mutinous noises showed, the City's small-to medium-sized stockbrokers are waking up to the dangers posed to them by the impending abolition of the single capacity trading system. At times, the Stock Exchange has given the impression that the move to dual capacity is something of a mechanistic consequence of the removal of fixed commissions. In fact, the Stock Exchange's aggressive stance on this results largely from the big brokers deciding that if they are to suffer a fall in commission income, they will turn their hand to jobbing to make good at least some of the difference.

The fact that smaller brokers mostly lack the resources to follow suit puts them in rather a nasty jam. On Wall Street, the liberalising of commissions in 1975 resulted in big players like Merrill Lynch rapidly becoming a lot bigger at the expense of everybody else. The chances of that happening here are if anything enhanced by the fact that small institutional brokers will largely be competing with one hand tied behind their backs, by going to their bigger rivals for lines of stock, they may find themselves paying higher prices, while at the same time foregoing the advantage of the jobber's turn which those rivals are enjoying.

Private client brokers, though, may prove more durable. In the UK's more patchy retail market they do not suffer from U.S.-style dominance by big brokers with nationwide outlets. Their problem could be a different one - the threat of more aggressive action from the banks, or the advent of the High Street financial super-market.

Wyth Farm

Three years of haggling over the Wyth Farm oilfield seem to have ended with the successful bidding consortium - the Dorset group - having to drill rather deeper into their pockets than they may have hoped.

Having offered an extra \$20m in recognition of the field's higher profitability after the Budget, the bidders are now in for an extra \$5m up front, and no less than \$50m has been added to the second tranche, payable when production reaches 20,000 barrels per day. Altogether, this looks more like a fundamental arm-twisting change in terms than a late technical adjustment; the price has risen by 75 per cent from the original offer.

Nevertheless, what is clearly a much-improved deal for British Gas still seems more than useful to the buyers. If it had come out of the blue in its present shape, it would probably be making quite an impact in the share prices of consortium members such as

Workers halt Citroen car plant

BY PAUL BETTS IN PARIS

PRODUCTION was halted yesterday at the large Citroen car plant at Aulnay-sous-Bois outside Paris when it was occupied by workers protesting against plans to cut more than 1,300 jobs.

The occupation marks a sudden worsening in the labour situation at Citroen, which is trying to reduce its workforce by 6,000 people this year.

Peugeot, the financially troubled private French car group which owns Citroen, has said the job cuts are essential if the company is to return to profitability. The Peugeot group recently announced a loss of FFr 2.5bn (£212m) last year.

The group has also sought to avoid a repeat of the violent labour clashes which hit its large Talbot car plant at Poissy at the beginning of this year. Despite a more conciliatory and softer approach in its negotiations with the unions, however, Citroen appears likely to be forced to make a large number of compulsory redundancies.

About 3,00 of its planned

6,000 job cuts will involve early retirements and the company is hoping to secure a number of other job cuts by encouraging immigrant workers to take financial incentives to return to their home countries.

So far, immigrant workers at Citroen and Talbot have shown little interest in taking the new repatriation incentives. The Aulnay plant, which employs about 6,500 workers, is like the Poissy plant, heavily manned by immigrant workers.

The occupation at Aulnay was led by militants of the pro-Communist CGT union. M Akka Ghazzi, the CGT immigrant leader at the plant, warned that the occupation would go on indefinitely. He accused both Peugeot and the French Government of refusing to negotiate seriously with the union. He said the occupation would continue until these negotiations started.

M Ghazzi also accused the car company and the authorities of negotiating behind the backs of the immigrant car workers the

new cash payments to encourage immigrants to return home. These repatriation incentives have now been increased at Citroen from FFr 70,000 to FFr 100,000 per immigrant.

The deterioration in the Citroen labour situation comes at a time of increasing social conflict in many depressed industrial French regions. Shipworkers at Nantes in the west blocked the gates of the Du-bignon shipyards yesterday in protest at the yard's restructuring plans.

At Longwy in the eastern steel region of Lorraine, fresh incidents erupted yesterday between steelworkers and police forces.

The French unions have been coming under increasing pressure from their rank and file in the face of the worsening French unemployment outlook.

Indeed, the union leaders have found it particularly hard to control the immigrant rank and file at the big Paris area car plants such as Poissy and Aulnay.

Wyth Farm sale to Dorset agreed

BY IAN HARGREAVES

THERE WERE discreet but audible sighs of relief among participants in the long-running Wyth Farm oil saga yesterday when the Government announced that it had finally agreed terms for a sale.

Mr Peter Walker, the Energy Secretary, said in a Commons written reply that British Gas's 50 per cent stake in the Dorset Field would be sold to the Dorset bidding group of companies.

The Dorset group, which comprises Tricentrol, Premier Oil, Carless Capel, Clyde Petroleum, and Gool Petroleum, will make an initial payment of \$25m to be followed by \$130m when production from the field reaches 20,000 barrels a day.

A third stage of the agreement involves the Dorset group's surrendering 40 per cent of its net profits from the field, once total output has reached 25m barrels.

The terms mean that the Government has extracted a fur-

ther \$5m on the first tranche and \$50m on the second tranche, compared with the sums agreed conditionally before the Budget.

Members of the Dorset group avoided ostentatious signs of celebration yesterday, for fear that the signing of the deal with British Gas, due on Thursday, might yet be jeopardised.

Mr Walker's statement made clear that British Gas had agreed to the terms announced. The gas corporation has written to the Dorset group saying this. There is some nervousness among the bidding group that any suggestion that the deal is very beneficial to it might provoke a last-ditch burst of political opposition.

Various Opposition MPs have said in recent months that the then-proposed Wyth Farm terms represented a poor deal for the Government.

Mr Rupert Lascelles, deputy managing director of Premier, for which Wyth Farm repre-

sents a major expansion of activity, said he was delighted by the announcement.

"But I don't want to give any hostages to fortune before the ink is dry on the contract," Stockbrokers said the deal, even at the higher price, was still a good one for the companies.

Laing and Cruikshank calculates that in discounted terms the extra payments on top of the original \$160m will add \$29m to the net present value of the offer, which they calculate worth \$43m before corporation tax.

Dorset group shares were generally lower on the day, in line with a general downward trend among oil stocks. Tricentrol fell 3p to 210p.

British Petroleum, which owns 50 per cent of Wyth Farm and will be the field's operator once the deal is completed, would say nothing yesterday about its plans.

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Government stays aloof

invested in the coal industry since 1979 and another £3bn would be invested over the next four. There had been no compulsory redundancies as the Coal Board closed out-of-date and exhausted pits.

Mrs Thatcher defended the Government's rate-setting legislation which has met Tory as well as Labour opposition in both Houses of Parliament.

She said: "People's homes and local businesses need defending. When councils can bankrupt shops and factories which have no voice in choosing them, and when mounting restrictions worry to distraction old people on modest incomes, then the victims must be able to look to government to protect them."

In tackling unemployment she urged Britons to look for encouragement to the U.S., which had achieved an extra 16m jobs over the past decade. "I can't tell you where the next openings in the marketplace will come any more than those employed in agriculture a century ago could have foreseen the move from field to factory," she said.

"What I can do is to give our native talent its head and our backing. That's why in each successive Budget we've put the emphasis on enterprise and why today we've such generous tax-incentives for those who launch new businesses and those who back them.

"And that is one reason why the number in employment are starting to rise again: by 120,000 in the last three months of 1983."

Mrs Thatcher called on Britons to give due credit to the U.S. role in the Atlantic Alliance: "Where would Europe have been in that most difficult and dangerous period after the last war, without America? Where would we have been since, without America's massive contribution to the freedom and security of Europe?"

"We cannot go on drawing endlessly on American good will and generosity without ourselves trying to understand their concerns and the burdens which fall to them. For they are the champions of all the beliefs and ideals which we cherish most deeply."

Elsewhere in her speech the Prime Minister seemed anxious to sympathise with dairy-farmers following the European Economic Community agreement on production cuts. She understood the farmers' anxiety: "But I believe our farmers also understand that surpluses had to be reduced.

"It must make sense to relate the amount of food our farms produce to the amount we can sell at home and abroad. It doesn't make sense for ever more butter to be dumped in Russia. Or wine either - and at a price cheaper than we have to pay at home."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Table with columns for RISES and FALLS, listing various commodities and their price changes.

WORLDWIDE WEATHER

Table showing weather conditions for various cities worldwide, including temperature and cloud cover.

MERCURY JAPAN FUND advertisement featuring a 70.6% growth claim and details about the fund's performance and investment strategy.

Handwritten Arabic text at the bottom of the page.